

**City Council Questions and Answers for  
Thursday, April 13, 2017**

These questions and answers are related to the  
Austin City Council meeting that will convene at 10:00 AM on  
Thursday, April 13, 2017 at Austin City Hall  
301 W. Second Street, Austin, TX



**Mayor Steve Adler**  
**Mayor Pro Tem Kathie Tovo, District 9**  
**Council Member Ora Houston, District 1**  
**Council Member Delia Garza, District 2**  
**Council Member Sabino "Pio" Renteria, District 3**  
**Council Member Gregorio Casar, District 4**  
**Council Member Ann Kitchen, District 5**  
**Council Member Jimmy Flannigan, District 6**  
**Council Member Leslie Pool, District 7**  
**Council Member Ellen Troxclair, District 8**  
**Council Member Alison Alter, District 10**

*The City Council Questions and Answers Report was derived from a need to provide City Council Members an opportunity to solicit clarifying information from City Departments as it relates to requests for council action. After a City Council Regular Meeting agenda has been published, Council Members will have the opportunity to ask questions of departments via the City Manager's Agenda Office. This process continues until 5:00 p.m. the Tuesday before the Council meeting. The final report is distributed at noon to City Council the Wednesday before the council meeting.*

## QUESTIONS FROM COUNCIL

Agenda Item # 4: Authorize award and execution of a construction contract with MASTEC NORTH AMERICA, INC., for the Fiscal Year 2016-2017 Traffic Signal Maintenance – Indefinite Delivery/Indefinite Quantity project, in an estimated amount of \$656,250 for 12 months, with four 12-month extension options in an estimated amount of \$600,000 for each extension option, for a total contract amount not to exceed of \$3,056,250, to be allocated among the initial 12-month term and the four extension option periods needed.

QUESTION: 1) What is the difference between this contract item and Item 3 from the February 16, 2017 Council Meeting that was approved by City Council? What is the difference between services provided by the Public Works Dept and this contract? - COUNCIL MEMBER FLANNIGAN'S OFFICE

ANSWER: The Austin Transportation Department is responsible for construction, installation, and maintenance of traffic signals, Pedestrian Hybrid Beacons (PHBs), and other traffic control devices in the City's Right of Way. This is not a function of the Public Works Department. Item 3 on the February 16, 2017 Council meeting agenda, authorized the Austin Transportation Department to contract with Austin Traffic signal Construction Company, Inc., for the construction and installation of **new traffic signals and PHBs where such devices do not currently exist**. Item 4 on this week's Council agenda, is a contract with Mastec North America, Inc., to provide **timely maintenance as well as modifications to existing traffic signals and PHBs**. Maintenance of traffic signals or PHBs typically includes repairing damage caused either by accidental knockdowns or by aging infrastructure. Modifications or changes are also necessary to modernize the traffic signals including but not limited to ADA compliance such as accessibility through push button modifications, sign locations, pedestrian head relocation; etc.

Agenda Item # 8: Approve an ordinance amending the Fiscal Year 2016-2017 Operating Budget of the Liability Reserve Fund (Ordinance No. 20160914-001) increasing total available funds by \$1,067,829 from funds received to reimburse the City for amounts paid on claims from a prior year, for a total of \$5,128,829; and increasing requirements by \$2,200,000 to a total of \$6,363,000 to cover judgments Council previously approved and to cover remaining estimated expenditures

through the end of the Fiscal Year.

QUESTION: 1) Please provide a funding breakdown for the \$1,067,829 of increased revenue being used for this action. - COUNCIL MEMBER FLANNIGAN'S OFFICE

ANSWER: The \$1,067,829 represents an insurance reimbursement for legal fees paid by the fund prior to 2017.

QUESTION: On item # 8 the language is very vague. What "judgments" is the RCA referring to? Also, there seems to be a delta between the funds received and the increase to requirements yet the ending balance of the fund remains almost the same? That means that the additional funding had to come from somewhere. So where is the additional \$1.03 million going to come from? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: Here is the list of judgments and settlements (\$3,784,181) that Council has approved so far this year:  
Canarios Inc v. City of Austin (judgement), \$126,328, Council item # 20161006-023  
Lynch v City of Austin (judgement), \$182,853, Council item # 20170126-020  
Ketty Sully v. Goeffrey Freeman (settlement), \$3,250,000, Council item # 20170216-011  
Andres Navarro v City of Austin (settlement), \$225,000, Council item # 20170216-012

The total budget for this fund prior to this action is \$4.6 million. These amounts do not include other routine payments from the fund.

Note: In case you are tracking, Council also approved this settlement; however, it was paid by Austin Energy (AE), effective in 2017 AE is funding their own 3rd party liabilities.

Aigner v City of Austin (settlement), \$2,000,000 deductible (\$6,780,500 offset by insurance payment of \$4,780,500), Council item # 20161201-019

The change in the ending balance is the result of the increase in revenue (\$1,067,829 which is an insurance check received to reimburse the City for legal fees paid from the fund in a prior fiscal year) and the increase in requirements (\$2,200,000) or a reduction of \$1,132,171. The fund is permitted under the financial policies to run a deficit. As noted in the "below the line" language, the fund will still be in compliance with the financial policies with the deficit of \$1,183,544. It will be recovered over time from the departments participating in this self-insurance fund.

Agenda Item # 10: Approve an ordinance adopting the Austin Strategic Housing Plan as an element of the Imagine Austin Comprehensive Plan.

QUESTION: 1) This quote at the bottom of p.6 was included to drive home a

point. What exactly is that point? Which are those neighborhoods/areas of town in Austin that have either political capital or other regulations that limit development ultimately resulting in development being focused on the "Desired Development Zone", or as the quote says, "low-income communities of color, causing displacement, and concerns of gentrification..."? "When new housing development is limited region-wide, and particularly precluded in neighborhoods with political capital to implement even stricter local barriers, any new development tends to be disproportionately concentrated in low-income communities of color, causing displacement and concerns of gentrification in those neighborhoods, raising market rents ... while failing to reduce housing cost growth region-wide. As rents rise region-wide in response to insufficient housing supply, this displacement is exacerbated." 2) Can you share a copy of the City of Austin's Comprehensive Housing Market Analysis? 3) Can you share the analysis and data for the Growth in Low-to-Moderate Paying Jobs section? I want to understand how the total # of new jobs was determined as well as the # of jobs for each wage bracket. 4) At what percentages has the City of Austin and the MSA grown historically? Meaning, what percentage annually have both grown each of the last 10 years? 5) Housing cost-burdened is defined at 30% of "incomes to housing costs." Is this gross income or net? 6) What was the FY15/16 Tenant Based Rental Assistance voucher program total budget, including FTEs and associated personnel costs? 7) Page 13 and 14 of the report state that \$120m in GO bonds were used to create 3,500 affordable housing units. What were the total fee waivers associated with those same or associated (meaning market rate units that also received waivers) affordable housing units? 8) Figure 6 on page 14 – The calculation for the total # of new housing units needed was based on projected MSA population growth, yet the income brackets of housing needed are limited to the City limits? Why were two different boundaries used to make this calculation rather than a consistent boundary? 9) Being that the gap between how much affordable housing we are currently able to fund and what we truly need, what new bonus programs based on increased entitlements or other incentives are being considered to achieve these goals? 10) On page 22 it states, "Assuming 0% down, an interest rate of 3.62% and an annual effective property tax rate of 2.5% an affordable home purchase price at 80% MFI for a 4 person household would be approximately \$225,000 and at 120% MFI would be \$348,000." Why did the calculation assume an annual effective property tax rate of 2.5%? Is this consistent with historical trends related to property tax increases? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: See attachment.

QUESTION: 1) Does the Texas legislature provide enough flexibility within established Homestead Preservation Districts to make possible the provision of property tax "circuit breakers" to provide relief for low-income residents and seniors attempting to preserve ownership of their homestead in Austin. 2) Where do manufactured/mobile homes fit into the strategic housing plan? This housing type is specifically recommended in the recent Final Report from the Mayor's Task Force on Institutional Racism and Systemic Inequities as a

housing type which we should be encouraging. What strategies are we pursuing to preserve and promote this housing type? 3) What updates are being considered to the SMART housing program and how is the public involved in that process? 4) What strategies are we pursuing in this plan to partner and support the work of neighborhood-based Community Development Corporations? 5) The recent Final Report from the Mayor's Task Force on Institutional Racism and Systemic Inequities recommends developing a plan to conduct and fund regular matched pair housing discrimination testing. Does NHCD support integrating this recommendation into the Strategic Housing Plan? 6) Which specific strategies in the report would advance our draft 10-year target goal to have 25% of affordable housing units that are created and preserved have two or more bedrooms AND a preference for families with children? 7) If we were to set a numerical goal on the number of units at 0-30% MFI and 30-60% MFI by council district to be created or preserved by 2025, what number(s) would you recommend? 8) Page 14 of the report describes a goal of 135,197 housing units by 2025 based on an estimated MSA population change. Does our methodology break down the number of units needed by specific bedroom counts? Do we have a specific goal for the number of units needed that are 3 or more bedrooms, or 4 or more units? Does our methodology assume that the average household size remains the same over the next 10 years? 9) Page 27 of the report discusses Low Income Housing Tax Credits and recommends that the City consider strategically prioritizing support for applications based on community priorities. Please provide examples of what that might look like and what policy changes would be required to act on that recommendation. 10) Please provide copies of any strategic housing plans adopted by other municipalities that are good models of effective affordable housing strategies. COUNCIL MEMBER ALTER'S OFFICE COUNCIL MEMBER ALTER'S OFFICE

ANSWER: See attachment.

QUESTION: 1) The Strike Fund is mentioned in the Strategic Housing Plan as one of the tools to preserve existing affordable housing – the original goal was to preserve 20,000 units over 20 years. There is some language about the structure of the fund, but can staff share more details about how the fund might be structured, what is the MFI level that the fund would focus on, and how would the ownership and management of the properties be handled? 2) This question is being asked by other offices, but if we adopt this plan with policies such as relaxed parking requirements and increased occupancy limits within it, does that mean that we in effect adopting the policies as they are described in the Strategic Housing Plan? 3) Can the staff describe the feasibility of some of the goals described within the plan? Some seem achievable, others do not. Can you assist us in determining which ones are feasible? 4) On page 32, the plan discussed revising regulations on small lots, reducing parking requirements, lot width and setback requirements as part of a density bonus program. How would something like this work within existing neighborhood plans? 5) Can you point to studies showing that more housing supply successfully leads to lower housing prices for various levels of income,

including those below 80% MFI? COUNCIL MEMBER POOL'S OFFICE

ANSWER: See attachment.

QUESTION: Is there any way to get data to show of the demolitions that have occurred in District 1 over the last 3-4 years. What has been built and what is the cost? COUNCIL MEMBER HOUSTON'S OFFICE

ANSWER: Neighborhood Housing and Community Development (NHCD) has been working with the Development Services Department (DSD) on responsive information related to a previously adopted council resolution # 20170126-038 regarding demolition information. Although the analysis may not provide all of the answers to the question, it will answer the demolition information. DSD has requested an extension to report back by late May.

QUESTION: 1) Please provide citation for footnote 4 on page 6 as it appears to be missing. 2) Page 8 quotes an urban planning professor from the University of Arizona who asserts that 50% "of all new housing demand will be for attached homes and the other half for small lot homes." Was this prediction specific to Austin, or was it a prediction about the national housing market? Given that the article was written in 2012 and at least some of the numbers tied to 2011 figures, have these predictions been accurate ones – either in Austin or on the national front? 3) Is housing demand—as it is referred to on pages 9 and 10—assessed by sales or by some other measure? MAYOR PRO TEM TOVO'S OFFICE

ANSWER: 1) Imagine Austin Comprehensive Plan, Page 4. 2) The quote was referencing national housing demand, but Austin is experiencing similar demographic changes as the rest of the nation. There is an increased demand for attached homes and small lot homes. 3) The model Fregonese & Associates utilized to create the Austin Balanced Housing Model utilizes standard demographic projections and assumptions based upon RCLCO (Robert Charles Lesser & Co) national demand trends and Chris Nelson's national demand model. RCLCO provides real estate industry trends and strategies. Chris Nelson looks at generational changes in housing demographics nationally.

QUESTION: 1) Which are the specific neighborhoods/areas of town in Austin that have either political capital or other regulations that limit development ultimately result in development being focused on the low-income communities of color, causing displacement, and concerns of gentrification? 2) Do regulations limiting development in "environmentally-sensitive areas" contribute to this trend? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: In September of 2016, the White House created a toolkit to address affordable housing within in urban areas. The toolkit includes the following quote: "When new housing development is region-wide, and particularly precluded in neighborhoods with political capital to implement even s barriers, the new housing that does get built tends to be disproportionately concentrated in low-income communities of color, causing displacement and concerns of gentrification in those neighborhoods

rents region-wide can exacerbate that displacement.”

([https://www.whitehouse.gov/sites/whitehouse.gov/files/images/Housing\\_Development\\_Toolkit.pdf](https://www.whitehouse.gov/sites/whitehouse.gov/files/images/Housing_Development_Toolkit.pdf), p. 2). This language recognizes the impact of increased populations combined with a lack of new housing development. It was included in the Strategic Housing Plan to acknowledge the impact and to guide the city as it makes decisions related to housing opportunities. Staff was not able to identify a research-based source for the second question.

QUESTION: What are the capital sources to be able to reach the affordable housing goals in the Austin Strategic Housing Plan? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: Capital sources could include the following:

- o Federal Funds, including Community Development Block Grant (CDBG) and HOME Investment Partnership Program (HOME).
- o Remaining Funding from 2013 Affordable Housing Bond Program
- o Austin Housing Trust Fund
- o NEW Affordable Housing Bond Program
- o Tax Increment Financing for Affordable Housing
- o Homestead Preservation Districts
- o Privately-funded Strike Fund
- o Additional General Fund Appropriations for Affordable Housing
- o Private Sector Participation in a Fund for Affordable Housing and/or Workforce Housing

QUESTION: Which Community Development Commission recommendations are included in the plan? COUNCIL MEMBER HOUSTON AND MAYOR PRO TEM TOVO'S OFFICES

ANSWER: See chart showing Community Development Commission recommendations and related changes made to plan.

QUESTION: What is the relationship between the Mobility Corridors & Imagine Austin Centers and Corridors? COUNCIL MEMBER KITCHEN'S OFFICE

ANSWER: See map showing relationship between the Mobility Corridors & Imagine Austin Centers and Corridors.

QUESTION: As East Austin includes many Imagine Austin Centers and Corridors, which are the areas where the Imagine Austin Comprehensive Plan notes that development should be focused, how will the proposed Austin Strategic Housing Plan address the increased gentrification that will occur and the displacement of many individuals including long time Austinites and individuals who will no longer be able to afford to live in the city? COUNCIL MEMBER HOUSTON'S OFFICE

ANSWER: • One of the community values in the plan is “Prevent Households from Being Priced Out of the City.” The actions to support that value include:

- o Support Legislation to Allow a Flat Dollar-Amount Homestead Exemption for all Local Taxing Entities
- o Target Preservation Property Tax Exemption to Communities at Risk of Displacement
- o Expand the Use of Community Land Trusts (CLT) and other forms of Shared Equity Ownership
- o Prevent Displacement of Low- and Moderate-Income Homeowners
- o Preserve and Create Ownership Options for Households at 80% to 120% MFI
- o Coordinate Preservation Strategies with Infrastructure Investments
- o Use Incentives to Support the Production of Living Wage Jobs
- o Make Strategic Investments to Minimize Displacement
- o Allow Homeowners to Rent a Portion of their Houses

- The staff proposed changes to the Austin Strategic Housing Plan (available here: <http://austin.siretechnologies.com/sirepub/cache/2/b2efp0jeguuktqvuuwgrgtl0/14001160411201>) include changes based on the Mayor's Task Force on Institutional Racism and Systemic Inequalities institutional racism, diversity and integration, including additional emphasis on mitigating gentrification.
  - o Proposed change: In section: "Prevent Households from Being Priced Out of Austin," add a new "Develop Programs and Policies that can help Mitigate Gentrification Pressures in Historically Low Neighborhoods" Add language: "The Imagine Austin Comprehensive Plan defines gentrification as neighborhood change that results in the replacement of lower income residents with higher income residents. Austin should continue to focus resources on programs and policies that can help mitigate gentrification in historically low-income neighborhoods. This includes undertaking equitable development strategies that create vibrant communities of opportunity. Equitable outcomes result when intentional strategies are put in place that everyone can participate in and benefit from decisions that shape their neighborhoods and city. Such strategies include the creation of a low interest loan fund or grant for preservation in historically low-income neighborhoods. Such a fund could provide a further incentive to preserve affordable housing stock in targeted areas to reduce redevelopment and displacement pressures."

- o Proposed change: In section: "Prevent Households from Being Priced Out of Austin," add a new "Consider the development of a District Plan for Central East Austin." Add language: "The city should consider creating a District Plan for Central East Austin focused on preservation to acknowledge the public housing area vulnerable to gentrification, and which allows long-time residents to shape goals and strategies for the area."

- New proposed community goal for at least 25% of new income-restricted affordable housing should be in opportunity areas
- Includes goals for affordable housing in all Council Districts to improve the geographic dispersion of public housing
- The Imagine Austin Growth Concept map includes centers in environmentally sensitive areas in various Council Districts

QUESTION: Where are Accessory Dwelling Units (ADUs) already allowed?  
MAYOR PRO TEM TOVO'S OFFICE

ANSWER: See map showing locations where ADUs are allowed.

QUESTION: Is there a level at which vacancy rates keep rents from rising?  
COUNCIL MEMBER FLANNIGAN'S OFFICE

ANSWER: Staff was not able to identify a research-based data source for this information.

Agenda Item # 11: Authorize negotiation and execution of a 60-month lease

renewal with David B. Edelman for approximately 8,000 square feet of office and warehouse space at 4122 Todd Lane, in Austin, Texas, for Austin Energy's Meter Shop, in an amount not to exceed \$380,328.95 (District 2).

QUESTION: 1) Austin Energy currently owns a site on Ryan Drive that is used for utility pole storage and materials reclamation. Did Staff identify any alternative sites, either owned by Austin Energy or privately owned, that could be compatible with the Meter Shop's spatial and logistical needs? If so, can you please provide the locations and rental rates? 2) Did Staff consult with AISD and/or Travis County to determine if these entities have any excess space that would be suitable for the Meter Shop's operations? MAYOR PRO TEM TOVO'S OFFICE

ANSWER: Council approved Resolution No. 20130117-054, directing the City Manager to evaluate 6909 Ryan Drive for redevelopment purposes that included a pocket park and affordable, sustainable, multi-family housing. City staff has had several meetings with neighbors of Brentwood to discuss affordable housing, a pocket park, and multi-family housing and mixed use for this site. Discussions continue on the future use of Ryan Drive. Staff does not recommend placing the Meter Shop at this site due to the unforeseeable future of Ryan Drive. AISD and Travis County do not have space available for this type of operation.

Agenda Item # 12: Authorize negotiation and execution of a 60-month lease renewal for approximately 3,749 square feet of office space for the Economic Development Department, Small Business Development Program, located at 4029 South Capital of Texas Highway, Suite 110, in Austin, Travis County, Texas, from LCFRE AUSTIN BRODIE OAKS, LLC, for a total amount not to exceed \$578,583.17 (District 5).

QUESTION: 1) Was there an analysis conducted to identify any alternative sites, either owned by the City of Austin or privately owned, that could be compatible with the Economic Development Department's Small Business Development Program's office needs? If so, can you please provide the locations and rental rates? 2) Did Staff consult with AISD and/or Travis County to determine if these entities have any excess space that would be suitable for the Small Business Development Program? MAYOR PRO TEM TOVO'S OFFICE

ANSWER: Economic Development Department initially considered Arts and Public Places office space, located at Austin Convention Center; however, after researching no space was available. Other alternative sites and entities were visited and meetings were held specifically with Austin Community College (ACC) and Austin Independent School District (AISD). ACC does not have any built-out office space available nor did they foresee having lease space available in the near future. AISD did have a site we researched and discussed, but AISD decided to sell in lieu of leasing the property. The City does not have any vacant office space that can be occupied by staff. The lease space location

at Brodie Oaks Plaza is central to Austin, in a perfect location for the program participants, providing ample parking for a host of visitor's to the center at a rate well within the fair market lease rate for similar lease space in the City.

QUESTION: 1) Please provide a list of all presently vacant, city-owned properties. 2) Were any such properties considered for the uses in these items?  
COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: The City does not have any vacant space that can be occupied by staff.

Agenda Item # 13: Authorize the negotiation and execution of an amendment to the lease agreement with the LOWER COLORADO RIVER AUTHORITY to add an additional 14,530 square feet of office space for 42 months for the Austin Transportation Department located at 3701 Lake Austin Blvd., in an amount not to exceed \$1,341,119.10. (District

QUESTION: 1) Please provide a list of all presently vacant, city-owned properties. 2) Were any such properties considered for the uses in these items?  
COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: The City does not have any vacant space that can be occupied by staff.

Agenda Item # 14: Authorize the execution of all documents necessary or desirable to provide relocation assistance and authorize the payment of relocation funds to the tenants located at 1127 and 1205 E. 52nd Street in an amount not to exceed \$600,000. (District 4)

QUESTION: 1) Will this expense be something we recover in litigation? -  
COUNCIL MEMBER FLANNIGAN'S OFFICE

ANSWER: The expenses related to this item are the result of displacement due to code enforcement activity, which triggers the City's obligation to comply with Texas Property Code Section 21.046. State law does not provide a funding mechanism for the City to meet this State law obligation, and does not authorize the City to seek reimbursement of these expenses.

QUESTION: 1) What state statute requires tenant relocation assistance? 2) Is this an "unfunded" state mandate? 3) Is the city suing for recovery of the funds associated with this, and/or for the subject property should the owner not pay damages? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: The expenses related to this item are the result of displacement due to code enforcement activity, which triggers the City's obligation to comply with Texas Property Code Section 21.046. State law does not provide a funding mechanism for the City to meet this State law obligation, and does not authorize the City to seek reimbursement of these expenses.

QUESTION: 1) How many tenants will be assisted in this emergency relocation? 2) How many relocated households have school-aged children? 3) In regards to the emergency temporary housing component of the relocation plan, what efforts will be made for children to remain in their current schools? MAYOR PRO TEM TOVO'S OFFICE

ANSWER: 1) Staff has estimated there are 15 tenant households to be relocated. To date, staff has interviewed residents of 9 of the apartments. 2) To date we have not interviewed any families with school age children. AISD had indicated there was one family with a school age child living in the apartments, but it has been confirmed they currently live at a different address. 3) ORES, APH and NHCD are coordinating efforts to ensure temporary housing is available to those displaced that need the assistance. We currently have multiple extended-stay lodgings available in the area and we will work to accommodate any families with school-age children to have minimal impact.

Agenda Item # 19: Authorize negotiation and execution of a 36-month contract with JP MORGAN CHASE BANK, N.A., or one of the other qualified offerors to Request for Proposals SMB0302, to provide bank depository services, in an estimated amount of \$953,392, with two 12-month extension options in an estimated amount of \$394,159 for the first extension option and \$413,867 for the second extension option, for a total contract amount not to exceed \$1,761,418.

QUESTION: Can you please provide the Community Reinvestment Act ratings for all respondents, as well as their responses to section F.2 Community Reinvestment Act (CRA) of the Solicitation Package? MAYOR PRO TEM TOVO'S OFFICE

ANSWER: All four respondents to the solicitation received "satisfactory" CRA ratings for Texas. We are contacting the respondents to get approval to release section F.2 of their proposals.

QUESTION: Can staff provide some examples of the types and amounts of fees incurred with this contract? Does the City earn interest on any/all accounts? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: 1) The attached form, 0610 from the solicitation, includes fees incurred as well as annual volumes. 2) City accounts are non-interest bearing.

QUESTION: 1) Can staff please provide the formulas for scoring that feed into the matrix in the back up? 2) Can staff please provide the actual inputs from the proposal respondents for the matrix inputs in the backup? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: 1) Scores for the evaluation factors of Implementation Plan; Services; and Comparable Past Experience and References are based on the respondent's strengths and weaknesses in the respective category. The scores

for Cost are based on responses to Application Form 0610 using a ratio method. The respondent with the lowest five year total with incentives was awarded the maximum 40 points. All others received a percentage of points available based on their cost relationship to the lowest five year total with incentives. 2) Staff has provided this confidential information to the Council Member as requested. 3) Three of four responses are attached. The fourth respondent has not yet agreed to allow staff to release this information.

Agenda Item # 20: Approve an ordinance suspending a rate increase proposed by Oncor Electric Delivery Company, LLC; requiring reimbursement of municipal rate case expenses by the regulated utility; and providing notice of this ordinance to Oncor Electric Delivery Company, LLC.

QUESTION: 1) Doesn't State Law designate the PUC as the arbiter that determines the fairness of rates? 2) What were the findings of the PUC ruling on the rate case? 3) How does this rate increase compare to Austin Energy since 2011. 4) What percentage has Austin Energy increased total revenues since 2011? 5) What percentage has Austin Energy increased residential customer rates since 2011? 6) Can staff compare a 1,000 kwh residential total Austin Energy bill (including fees and other charges) with that of one for the same usage from Oncor? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: 1) The City is the local regulatory authority with original jurisdiction on rates for Oncor customers within the City of Austin. The Public Utility Commission of Texas does not have original rate jurisdiction for Oncor's rates charged to its Austin customers, but has original jurisdiction for rates charged by Oncor to its customers in unincorporated areas and appellate authority over the City's determination on Oncor's rates within Austin.

2) The PUC has not heard Oncor's rate case. For the benefit of rate payers and administrative efficiency in rate cases, municipalities typically join as a coalition and collectively intervene during the PUC's consideration of rates proposed for the unincorporated areas.

3) Average system rate, excluding Power Supply Adjustment (PSA), increased 14%. Including PSA, average system rate increased 5%.

4) Total revenue, including PSA, has increased 5%. Customer count has increased by 10.4% since 2011, which also contributes to the growth in revenues.

5) Average residential rates, excluding PSA, have increased 20%. Including PSA, average residential rates have increased 7%.

6) Staff cannot compare a 1,000 kWh residential bill including all fees and other charges with a similar residential bill from Oncor, An Oncor bill is not directly comparable to Austin Energy's as Oncor provides its customers only wires services (Transmission and Distribution). This response was provided by Mark Dreyfus at AE.

Agenda Item # 21: Approve a resolution authorizing the negotiation and execution of a Multiple Use Agreement with the Texas Department of Transportation to permit the construction, maintenance, and operation of a Flood Early Warning

System beacon in the SH130 right-of-way approaching Fallwell Lane. (District 2)

QUESTION: 1) Which entity will be paying for the cost of installation and construction? 2) What are the annual operating costs for the City? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: 1) Watershed protection will be paying for the installation of the flashing light in addition to two flashing lights on Fallwell Lane. The purpose of the lights is to provide warning to staff of the Sand Hill Energy Center and South Austin Regional Waste Water Treatment Plant along with the general public of potential flooding of Fallwell Lane due to overflows from Onion Creek to the Colorado River. Fallwell Lane is the only access to the two plants and was flooded in both the 2013 and 2015 Halloween Floods. 2) The cost for the installation of a flood warning beacon (flashing light) is approximately \$3,500. Annual maintenance of such installations is generally less than \$300.

Agenda Item # 23: Approve a resolution directing the City Manager to allocate funding and pursue the acquisition of flood-damaged properties in the vicinity of Pinehurst Drive and Wild Dunes in the Onion Creek subdivision of the Upper Onion Creek watershed.

QUESTION: 1) What was the \$3.75m in funding originally allocated for? 2) In staff's estimate, will this be enough to purchase the ten properties? 3) Have the ten properties experienced flooding inside the homes? If so, when? 4) When was each property purchased? 5) Were the properties in a known floodplain when they were purchased? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: 1) As noted in the 3/14/2017 Memo to Mayor and Council (attached), there is an anticipated surplus of funding for the Lower Onion Creek Flood Mitigation Buyout Project. 2) The current cost estimates for these recovery buyouts are very conservative and indicate that \$5M (\$3.75M plus the \$1.25M already appropriated to the project) may not be sufficient to cover all of the expenditures associated with these acquisitions. WPD is prepared to re-appropriate additional funding, if needed, from the available savings on the Lower Onion project. 3) All of these homes flooded in both 2013 and/or 2015. There are an estimated 139 houses at risk of interior flooding in a 100-year flood event in this area, some of the houses are expected to be inundated by more than 3.5ft of flood waters. 4) Deed dates for these 10 properties vary from 1990 to 2012. 5) Yes, each of these properties was in a mapped floodplain at the time of their most recent purchase.

Agenda Item # 36: C14-2014-0120 - Austin Oaks PUD - District 10 - Conduct a public hearing and approve second reading of an ordinance amending Title 25 by rezoning property locally known as 3409, 3420, 3429, 3445, 3520, 3636, 3701, 3721, 3724, and 3737 Executive Center Drive and 7601, 7718 and 7719 Wood Hollow Drive (Shoal Creek Watershed) from community commercial (GR) district zoning, neighborhood commercial (LR) district zoning, limited office (LO) district zoning and family residence (SF-3) district zoning to planned unit development

(PUD) district zoning. The ordinance may include waiver of fees, alternative funding methods, modifications of City regulations, and acquisition of property. First Reading approved with conditions on December 15, 2016. Vote: 6-3, Council Members Casar, Gallo and Zimmerman voted nay; Council Members Garza and Troxclair were off the dais. Applicant: Graves Dougherty Hearon & Moody (Michael Whellan). Owner: Twelve Lakes LLC, Jon Ruff. City Staff: Andrew Moore, 512-974-7604. A valid petition has been filed in opposition to this rezoning request.

**QUESTION: Land Use:**

How much retail square footage and what type of retail use will be allowed on each site based on what passed on first reading? Does the retail square footage on the Land Use Plan match the assumptions in the TIA? When will the total retail square footage be clarified on the PUD land use plan?

How does the overall FAR of the Austin Oaks PUD compare to the FAR of the Grove?

Could parking be built underground on this site?

How does the code define a "story", or "floor"?

How much additional height does the code allow for mechanical equipment on the roofs of the buildings or garages?

How will the City track and monitor the impervious cover across the parcels as the project is built out?

Under the current entitlements what baseline has staff determined for the project? How does the existing Public Restrictive Covenant affect that baseline? What are city staff estimates of how many square feet of development could be built on this property with the existing entitlements, site constraints and existing restrictive covenant? What are city staff estimates of how much impervious cover would be allowed on this site based on the existing entitlements, site constraints, and public restrictive covenant?

**Transportation:**

Why does the TIA not include intersections east of MoPac or the intersection at Steck and MoPac? What determines the scope of a TIA? For a PUD, who is involved in making the determination of the scope of a TIA?

What will be the percentage increase of failed intersections by 2024 based on the TIA?

**Backup:**

Constituents have raised concerns that items have been removed from the previous backup. How does staff determine what to include from constituents

in the backup?

Housing:

What will the rental rates be for the market units at this property?

What are the rental rates for a 1 bedroom unit on this property that are income restricted at 60% MFI?

What will the bedroom count for the affordable units be, what will the square footage of the various units be?

How is the rental rate for income-restricted affordable housing units calculated for this site?

Can the rental rates for income-restricted units rise over time, if so, how are those rates determined?

What mechanisms do we use to monitor and guarantee the affordability requirements?

Will a copy of the restrictive covenant or other enforcement documents that will be used to guarantee the affordability requirements be available by third reading? Please share those documents when they are written.

Under the NHCD standard formula for affordable housing programs, how much would the city pay to buy down a market rate unit one-bedroom 775 square foot unit in a Class A development in this zip code to be affordable to a household at 60% MFI?

When the city buys down market rate units, do we buy down based on a 100% occupancy rate of the affordable units?

Do we have any mechanism to guarantee that the income-restricted units will be occupied and rented? What occupancy rate for income restricted units do we require in this zoning case?

What happens if the city buys down a unit and the unit remains unleased for a period of time?

How many affordable units did NHCD staff expect would be created from this development based the version of the PUD that passed on first reading in December of 2016?

If this zoning case passes, can the parcels designated for residential development be sold to another developer who finances the development of the property by applying for further public subsidy in the form of tax-credits, fee waivers, or General Obligation bond money? If the residential parcels are sold, how much in public

subsidy could a developer apply for to develop those parcels?

Would NHCD staff please review the spreadsheet posted on the message board <http://assets.austintexas.gov/austincouncilforum/44-20170228162141.pdf> and confirm that the cost per affordable housing unit is the same cost as what NHCD would pay based on their standard formula when calculating the buy-down costs in other affordable housing programs for a Class A residential development in this zip code?

For the Greystone at SBFR MoPac, we do not see a "Merging Analysis" on SBFR in the TIA nor TIA Appendix based on the Highway Capacity Manual. Was one done? Should one be done? If not, why?

For the Greystone at SBFR MoPac, we do not see a "Weaving Maneuver Analysis" on SBFR in the TIA nor TIA Appendix based on the Highway Capacity Manual. Was one done? Should one be done? If not, why?

Would Real Estate staff please review the spreadsheet posted on the message board <http://assets.austintexas.gov/austincouncilforum/44-20170228162141.pdf> and confirm the income that an additional floor containing 25,000 square feet of office space would generate at the Austin Oaks site would generate? What would profits on an additional 25,000 square feet of office entitlement be after subtracting construction costs? Would Real Estate staff please calculate the property value diminution for a 775 square foot affordable housing unit that is income restricted to an individual at 60% MFI at the Austin Oaks PUD?

COUNCIL MEMBER ALTER'S OFFICE

ANSWER: See attachment.

QUESTION: Staff recommended transportation improvements in their TIA memorandum that do not equal the total probable cost of all improvements listed in the TIA. If staff were to require additional improvements listed in the TIA to be funded by the applicant, which would they be? COUNCIL MEMBER ALTER'S OFFICE

ANSWER: See attachment.

QUESTION: Please provide any City of Austin ordinances that require the City of Austin to utilize the "pro-rata" method when calculating required transportation improvement costs in land use cases such as the Austin Oaks PUD. Please provide any City of Austin ordinances that prohibit the Austin City Council from utilizing the rough proportionality method when calculating the required transportation improvement costs in land use cases such as the Austin Oaks PUD. COUNCIL MEMBER ALTER'S OFFICE

ANSWER: State Law and City Code do not dictate a particular methodology for determining a developer's proportionate share of infrastructure costs required for traffic mitigation. Both the "pro-rata" model and the newer, interim Transportation Mitigation model, are different approaches to ensure

that a developer is not required to fund or construct improvements beyond what can fairly be attributed to anticipated impacts of the development. The “pro-rata” model has been used administratively in implementing the Land Development Code for decades and is a well-established part of the development process. The newer “interim Transportation Mitigation” model differs significantly from the “pro-rata” model and provides a basis for capturing a wider range of impacts by focusing more directly on the level of demand generated by a development to the transportation system. Given these differences in approach, there are cases where obtaining contributions up to the maximum “rough proportionality” threshold may prove to be infeasible based on the scale, intensity, or location of a development as well as the potential for constructing improvements that would meaningfully mitigate traffic impacts. The ordinance proposed by DSD and ATD would provide a better foundation for implementing the new interim Transportation Mitigation model and set the stage for adopting procedures necessary to ensure that it can be applied in a fair and predictable manner. For these reasons, City staff has continued to rely primarily on the pro-rata model to determine a developer’s proportionate share of transportation improvements both for projects that are approved administratively and when making recommendations to Council on zoning cases. Should Council approve the amendments to be presented at the March 2, 2017 meeting, DSD and ATD will begin the process of more fully implementing the new interim Transportation Mitigation model. The Law Dept. will provide a memo addressing legal issues related to traffic mitigation in advance of 3rd reading on the Austin Oaks ordinance.

QUESTION FROM WORK SESSION: 1) What are examples of the City of Austin successfully being able to collect complete costs from developments to construct transportation improvements as identified in a TIA? 2) What is the complete cost for improvements to the intersection of Hart Lane and Spicewood Springs Road as identified in the Austin Oaks PUD TIA? 3) What is the percentage of traffic generated by the Austin Oaks PUD estimated to pass through the intersections required by staff for transportation improvements? 4) What is the additional value of transportation mitigation that could be collected if additional housing units were added to the Austin Oaks PUD proposal?  
COUNCIL MEMBER POOL

ANSWER: See attachment.

QUESTION: 1) What is the estimated annual tax revenue for an additional floor of office space at 25,000 square feet? 2) What is the estimated annual tax revenue for an additional floor of office space at 20,000 square feet? 3) Based on the handout from Council Member Casar can you confirm or correct the following values: The value of an additional 20,000 SF of office space is estimated at \$800,000. The value of an additional 25,000 SF of office space is estimated at \$1,000,000. 4) What is the estimated annual tax revenue for an additional 50 residential units (roughly 57,000 square feet)? 5) What is the estimated annual tax revenue for an additional 175 residential units (square feet unknown at the moment)? 6) What is the estimated annual tax revenue

(property, sales, hotel) for a hotel that is 90,000 square feet? COUNCIL MEMBER FLANNIGAN'S OFFICE

ANSWER: 1) Estimated City only \$30,962 All taxing jurisdictions \$156,292. 2) Estimated City only \$24,770 All taxing jurisdictions \$125,034. 3) We could not confirm the estimated value of the office space of \$800,000 or \$1,000,000. It looks like this number could represent something other than construction costs or market value. 4) Estimated City only \$33,850 All taxing jurisdictions \$176,327. 5) Estimated City only \$118,473 All taxing jurisdictions \$617,145. 6) We do not have this information

Agenda Item # 39: Conduct a public hearing and approve an ordinance granting a site-specific amendment to City Code Section 25-8-514 and granting variances to City Code Section 25-8-261 to allow development of the Barton Creek Trailhead Restroom in Zilker Park. This action requires a site-specific amendment to the Save Our Springs Initiative and concerns property in the Barton Springs Zone (District 8).

QUESTION: Is staff proposing to eliminate parking spaces in order to reduce impervious cover? If not, how does the plan intend to reduce the impervious cover? COUNCIL MEMBER TROXCLAIR'S OFFICE

ANSWER: The ultimate design of this space will result in a reduction of parking spaces from 13 spaces to 11 spaces. The reduction in parking will occur in order to create three ADA-compliant parking spaces. The reduction in parking spaces is not a direct impervious cover impact.

To reduce impervious cover, the parking spaces will be pushed back into the drive aisle by approximately 10 feet. The impervious cover will be removed from the area in front of the new parking spots. The drive aisle (road) will be narrower in this area, but will be sufficiently wide to allow this modification.

In order to be compliant with ADA standards, two standard parking spots will need to be removed in order to create three spots that meet the Americans with Disabilities Act (ADA) and Texas Accessibilities Standards. (The ADA-compliant spots require access aisle alongside them, and therefore, take up more space than standard spots.)

Once finished, there will be eight standard parking spots and three ADA-compliant parking spots.

Agenda Item # 41: Conduct a public hearing and consider an ordinance creating an economic development program and authorizing the negotiation and execution of an economic development agreement with Merck Sharp & Dohme Corporation.

QUESTION: 1) Merck has informally described significant plans to build the local pipeline of talent and to focus recruiting locally. On page 5 of the Economic Development Agreement, in section 1.03 titled Recruitment,

sections a and b both state "The Company shall provide documentation of its efforts to the City upon request." Those statements seem to allow the City to request documentation of pipeline and local recruiting efforts. What mechanisms do we as a Council have at this stage or after the agreement is in effect to ensure that such documentation is provided on an annual basis as part of the reporting process? Are there further mechanisms we have to incorporate those findings into our performance measurement decisions for contract payments? 2) Please explain how Resolution 20141211-221 (referenced on p.27 of "City of Austin Chapter 380 Performance-Based Contracts Policy") would apply in this case were Merck to protest its tax evaluation at a later date. 3) The agreement includes requirements for paying no less than living wages for contract workers (page 4, Section 1.02 c 1). How in practice does the City monitor that portion of the agreement on an annual basis? It is more straightforward to monitor wages of full-time employees. 4) If the agreement is approved by Council and Merck decides to locate in Austin, how might Austinites interested in employment, contracting opportunities or pipeline partnerships connect with the company? COUNCIL MEMBER ALTE'S OFFICE

ANSWER: See attachment.

**END OF REPORT - ATTACHMENTS TO FOLLOW**

 *The City of Austin is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request.*

 *For assistance, please call 512-974-2210 or TTY users route through 711.*



**Council Question and Answer**

<b>Related To</b>	Item #10	<b>Meeting Date</b>	April 13, 2017
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Additional Answer Information

**QUESTION:** 1) This quote at the bottom of p.6 was included to drive home a point. What exactly is that point? Which are those neighborhoods/areas of town in Austin that have either political capital or other regulations that limit development ultimately resulting in development being focused on the “Desired Development Zone”, or as the quote says, “low-income communities of color, causing displacement, and concerns of gentrification...” ? “When new housing development is limited region-wide, and particularly precluded in neighborhoods with political capital to implement even stricter local barriers, any new development tends to be disproportionately concentrated in low-income communities of color, causing displacement and concerns of gentrification in those neighborhoods, raising market rents ... while failing to reduce housing cost growth region-wide. As rents rise region-wide in response to insufficient housing supply, this displacement is exacerbated.” 2) Can you share a copy of the City of Austin’s Comprehensive Housing Market Analysis? 3) Can you share the analysis and data for the Growth in Low-to-Moderate Paying Jobs section? I want to understand how the total # of new jobs was determined as well as the # of jobs for each wage bracket. 4) At what percentages has the City of Austin and the MSA grown historically? Meaning, what percentage annually have both grown each of the last 10 years? 5) Housing cost-burdened is defined at 30% of “incomes to housing costs.” Is this gross income or net? 6) What was the FY15/16 Tenant Based Rental Assistance voucher program total budget, including FTEs and associated personnel costs? 7) Page 13 and 14 of the report state that \$120m in GO bonds were used to create 3,500 affordable housing units. What were the total fee waivers associated with those same or associated (meaning market rate units that also received waivers) affordable housing units? 8) Figure 6 on page 14 – The calculation for the total # of new housing units needed was based on projected MSA population growth, yet the income brackets of housing needed are limited to the City limits? Why were two different boundaries used to make this calculation rather than a consistent boundary? 9) Being that the gap between how much affordable housing we are currently able to fund and what we truly need, what new bonus programs based on increased entitlements or other incentives are being considered to achieve these goals? 10) On page 22 it states, “Assuming 0% down, an interest rate of 3.62% and an annual effective property tax rate of 2.5% an affordable home purchase price at 80% MFI for a 4 person household would be approximately \$225,000 and at 120% MFI would be \$348,000.” Why did the calculation assume an annual effective property tax rate of 2.5%? Is this consistent with historical trends related to property tax increases? COUNCIL MEMBER TROXCLAIR'S OFFICE

**ANSWER:**

1) *This quote at the bottom of p.6 was included to drive home a point. What exactly is that point? Which are those neighborhoods/areas of town in Austin that have either political capital or other regulations that limit development ultimately resulting in development being focused on the “Desired Development Zone”, or as the quote says, “low-income communities of color, causing displacement, and concerns of gentrification...” ?*

*“When new housing development is limited region-wide, and particularly precluded in neighborhoods with political capital to implement even stricter local barriers, any new development tends to be disproportionately concentrated in low-income communities of color, causing displacement and concerns of gentrification in those neighborhoods, raising market rents ... while failing to reduce housing cost growth region-wide. As rents rise region-wide in response to*

*insufficient housing supply, this displacement is exacerbated.”*

This quote is intended to direct readers to the City of Austin’s Analysis of Impediments to Fair Housing Choice which can be found at:

[http://austintexas.gov/sites/default/files/files/NHCD/Reports\\_Publications/1Analysis\\_Impediments\\_for\\_web.pdf](http://austintexas.gov/sites/default/files/files/NHCD/Reports_Publications/1Analysis_Impediments_for_web.pdf)

[http://austintexas.gov/sites/default/files/files/NHCD/Reports\\_Publications/2AI\\_Appendix\\_A.pdf](http://austintexas.gov/sites/default/files/files/NHCD/Reports_Publications/2AI_Appendix_A.pdf)

[http://austintexas.gov/sites/default/files/files/NHCD/Reports\\_Publications/3AI\\_Appendix\\_B.pdf](http://austintexas.gov/sites/default/files/files/NHCD/Reports_Publications/3AI_Appendix_B.pdf)

[http://austintexas.gov/sites/default/files/files/NHCD/Reports\\_Publications/4FHAP.pdf](http://austintexas.gov/sites/default/files/files/NHCD/Reports_Publications/4FHAP.pdf)

2. *Can you share a copy of the City of Austin’s Comprehensive Housing Market Analysis?*

The City of Austin’s 2014 Comprehensive Housing Market Study can be found here:

[http://austintexas.gov/sites/default/files/files/NHCD/2014\\_Comprehensive\\_Housing\\_Market\\_Analysis\\_-\\_Document\\_reduced\\_for\\_web.pdf](http://austintexas.gov/sites/default/files/files/NHCD/2014_Comprehensive_Housing_Market_Analysis_-_Document_reduced_for_web.pdf)

The Appendices can be found here:

[http://austintexas.gov/sites/default/files/files/NHCD/2014\\_Comprehensive\\_Housing\\_Market\\_Analysis\\_-\\_Appendix\\_reduced\\_for\\_web.pdf](http://austintexas.gov/sites/default/files/files/NHCD/2014_Comprehensive_Housing_Market_Analysis_-_Appendix_reduced_for_web.pdf)

3. *Can you share the analysis and data for the Growth in Low-to-Moderate Paying Jobs section? I want to understand how the total # of new jobs was determined as well as the # of jobs for each wage bracket.*

The data was obtained from EMSI (Economic Modeling Specialists International); the data is attached.

4. *At what percentages has the City of Austin and the MSA grown historically? Meaning, what percentage annually have both grown each of the last 10 years?*

Please see:

[http://www.austintexas.gov/sites/default/files/files/Planning/Demographics/austin\\_forecast\\_2017\\_annual\\_public.pdf](http://www.austintexas.gov/sites/default/files/files/Planning/Demographics/austin_forecast_2017_annual_public.pdf)

5) *Housing cost-burdened is defined at 30% of “incomes to housing costs.” Is this gross income or net?*

The U.S. Department of Housing and Urban Development (HUD) defines a household as housing cost-burdened when their gross housing costs exceed 30% of their gross income.

6) *What was the FY15/16 Tenant Based Rental Assistance voucher program total budget, including FTEs and associated personnel costs?*

The Tenant Based Rental Assistance voucher program is a Subrecipient contract for \$527,000 in HOME funds, which includes personnel costs for program delivery.

7) *Page 13 and 14 of the report state that \$120m in GO bonds were used to create 3,500 affordable housing units. What were the total fee waivers associated with those same or associated (meaning market rate units that also received waivers) affordable housing units?*

The total amount of fees waived for G.O. bond funded housing units participating in SMART Housing, 2006 to date has been \$597,479. This information was pulled from the Affordable Housing Inventory (AHI).

8) *Figure 6 on page 14 – The calculation for the total # of new housing units needed was based on projected MSA population growth, yet the income brackets of housing needed are limited to the City limits? Why were two different boundaries used to make this calculation rather than a consistent boundary?*

According to the Brookings Institute, The Austin-Round Rock Metropolitan Statistical Area (MSA) is experiencing one of the fastest growing suburban poverty rates in the country. Consistent with feedback received when engaging the community, lower income households are increasingly being displaced from the City of Austin to surrounding areas. The purpose of calibrating the housing goal to the MSA's growth rate was to recommend development keep pace with that growth.

The income brackets identify how much income restricted housing is needed at each MFI level were calculated based on the percent of Austin's population at each of these income levels.

*9) Being that the gap between how much affordable housing we are currently able to fund and what we truly need, what new bonus programs based on increased entitlements or other incentives are being considered to achieve these goals?*

Developer incentive programs can allow increased entitlements when developers provide income restricted affordable housing units. These entitlements could take the form of height, units per acre, floor to area ratio, maximum units, parking requirement reductions, reduced site area requirements, compatibility waivers/reductions, or setback reductions. The plan recommends expanding the city's density bonus programs to Imagine Austin Activity Centers and Corridors as a part of CodeNEXT.

*10) On page 22 it states, "Assuming 0% down, an interest rate of 3.62% and an annual effective property tax rate of 2.5% an affordable home purchase price at 80% MFI for a 4 person household would be approximately \$225,000 and at 120% MFI would be \$348,000." Why did the calculation assume an annual effective property tax rate of 2.5%? Is this consistent with historical trends related to property tax increases?*

The 2.5% effective property tax rate includes AISD, ACC, Central Health, City of Austin and Travis County. Other taxing entities may apply depending on the location of a housing unit. This included not as a growth rate, but as an illustrative example of the purchase price for a home affordable to a household earning 80% and 120% median family income (MFI). Depending on the down payment, interest rate, property tax rate and even the median family income for the Austin-Round Rock Metropolitan Statistical Area (MSA) itself, the affordable home price could vary. These price estimates also assume the household has perfect credit and no debt.

< 50% MFI												
NAICS Code	Description	Austin Employment									Change	2013 Avg. Earnings Per Job
		2009	2010	2011	2012	2013	2014	2015	2016	2017		
713110	Amusement and Theme Parks	12	<10	<10	<10	<10	<10	<10	<10	<10	--	--
325620	Toilet Preparation Manufacturing	11	<10	<10	<10	<10	<10	<10	<10	<10	--	--
611692	Automobile Driving Schools (Private)	132	136	156	182	201	201	201	201	201	69	\$15,477
722330	Mobile Food Services	64	76	82	123	139	154	166	176	185	121	\$17,106
532292	Recreational Goods Rental	110	120	100	101	99	104	108	113	117	7	\$17,226
812310	Coin-Operated Laundries and Drycleaners	67	70	87	94	101	107	112	117	122	55	\$17,382
314129	Other Household Textile Product Mills	12	13	24	19	16	13	11	<10	<10	--	\$17,641
448140	Family Clothing Stores	1,746	1,696	1,658	1,593	1,574	1,567	1,563	1,561	1,561	-185	\$18,169
722211	Limited-Service Restaurants	13,977	14,344	15,362	16,285	17,018	17,586	18,053	18,448	18,791	4,814	\$18,851
424310	Piece Goods, Notions, and Other Dry Goods Merchant Wholesalers	16	<10	<10	<10	<10	<10	<10	<10	<10	--	--
424460	Fish and Seafood Merchant Wholesalers	20	17	14	<10	<10	<10	<10	<10	<10	--	--
722213	Snack and Nonalcoholic Beverage Bars	2,130	2,136	2,174	2,322	2,444	2,566	2,667	2,753	2,827	697	\$19,323
327215	Glass Product Manufacturing Made of Purchased Glass	36	30	20	21	19	16	14	13	12	-24	\$19,966
721211	RV (Recreational Vehicle) Parks and Campgrounds	31	33	36	48	48	49	50	51	52	21	\$19,977
448130	Children's and Infants' Clothing Stores	249	378	411	456	486	527	561	590	617	368	\$20,320
812930	Parking Lots and Garages	485	463	459	569	596	582	570	560	550	65	\$20,355
448120	Women's Clothing Stores	861	879	890	925	922	933	943	953	963	102	\$20,489
722410	Drinking Places (Alcoholic Beverages)	2,652	2,885	3,184	3,337	3,504	3,615	3,705	3,782	3,848	1,196	\$20,668
452990	All Other General Merchandise Stores	1,600	1,665	1,796	1,832	1,959	2,098	2,214	2,312	2,399	799	\$20,867
713990	All Other Amusement and Recreation Industries	1,272	1,278	1,337	723	820	771	733	701	674	-598	\$21,069
722212	Cafeterias, Grill Buffets, and Buffets	643	691	696	663	659	639	622	608	596	-47	\$21,287
512131	Motion Picture Theaters (except Drive-Ins)	836	830	873	1,052	1,241	1,278	1,306	1,330	1,349	513	\$21,340
811192	Car Washes	397	411	417	444	453	452	452	453	455	58	\$21,510
451130	Sewing, Needlework, and Piece Goods Stores	91	97	92	108	94	90	86	83	80	-11	\$21,621
712130	Zoos and Botanical Gardens	12	16	15	18	21	21	22	22	22	10	\$21,643
448190	Other Clothing Stores	373	413	427	432	443	455	465	475	484	111	\$21,666
722110	Full-Service Restaurants	23,209	23,463	24,840	25,483	26,669	27,813	28,787	29,640	30,406	7,197	\$21,872

Source: EMSI Analyst Data 2013.3

NAICS Code	Description	Austin Employment									Change	2013 Avg. Earnings
		2009	2010	2011	2012	2013	2014	2015	2016	2017		
445120	Convenience Stores	549	555	566	657	690	722	749	772	792	243	\$21,946
711190	Other Performing Arts Companies	55	78	103	111	151	166	179	191	202	147	\$21,984
442299	All Other Home Furnishings Stores	813	771	810	896	848	873	896	917	937	124	\$22,029
451120	Hobby, Toy, and Game Stores	592	618	630	647	598	594	590	587	583	-9	\$22,090
814110	Private Households	2,009	2,097	2,090	2,188	2,264	2,346	2,411	2,464	2,509	500	\$22,180
624120	Services for the Elderly and Persons with Disabilities	1,783	1,618	1,620	1,711	1,773	1,885	1,980	2,065	2,141	358	\$22,531
111000	Crop Production	69	79	94	111	117	124	128	132	135	66	\$23,147
722320	Caterers	615	550	496	579	592	602	612	620	628	13	\$23,223
713290	Other Gambling Industries	88	95	98	100	124	125	126	127	128	40	\$23,224
311991	Perishable Prepared Food Manufacturing	28	29	34	43	39	38	36	34	32	4	\$23,289
611620	Sports and Recreation Instruction (Private)	423	413	439	532	599	610	618	624	628	205	\$23,318
541921	Photography Studios, Portrait	181	155	146	140	129	122	116	112	108	-73	\$23,388
713950	Bowling Centers	168	191	181	167	198	191	185	181	177	9	\$24,201
446120	Cosmetics, Beauty Supplies, and Perfume Stores	356	362	366	356	365	367	368	368	368	12	\$24,212
447110	Gasoline Stations with Convenience Stores	1,723	1,684	1,744	1,782	1,829	1,840	1,854	1,868	1,884	161	\$24,293
721214	Recreational and Vacation Camps (except Campgrounds)	16	15	18	15	13	13	13	13	13	-3	\$24,370
488119	Other Airport Operations	437	389	427	519	521	541	557	571	582	145	\$24,399
812910	Pet Care (except Veterinary) Services	216	220	280	307	344	365	382	396	407	191	\$24,429
812113	Nail Salons	168	215	300	325	369	397	421	441	459	291	\$24,643
812111	Barber Shops	233	175	201	245	265	274	282	289	295	62	\$24,880
812191	Diet and Weight Reducing Centers	36	24	27	23	22	21	20	20	19	-17	\$24,962
713940	Fitness and Recreational Sports Centers	2,891	2,952	2,795	2,874	3,601	3,715	3,819	3,917	4,010	1,119	\$25,041
311811	Retail Bakeries	238	206	249	251	242	252	260	268	275	37	\$25,081
624410	Child Day Care Services	2,984	3,046	3,147	3,286	3,354	3,458	3,551	3,636	3,716	732	\$25,125
453991	Tobacco Stores	24	23	25	40	46	47	48	48	49	25	\$25,205
337121	Upholstered Household Furniture Manufacturing	<10	13	14	<10	<10	<10	<10	<10	<10	--	--
	<b>Total</b>	<b>67,751</b>	<b>68,729</b>	<b>72,069</b>	<b>74,763</b>	<b>78,645</b>	<b>81,345</b>	<b>83,631</b>	<b>85,627</b>	<b>87,408</b>	<b>19,657</b>	<b>\$21,361</b>

Source: EMSI Analyst Data 2013.3

<b>&lt; 50% MFI to &lt; 80% MFI</b>												
<b>NAICS Code</b>	<b>Description</b>	<b>Austin Employment</b>									<b>Change</b>	<b>2013 Avg. Earnings</b>
		<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>		
711211	Sports Teams and Clubs	36	33	43	35	42	40	38	37	36	0	\$25,680
711310	Promoters of Performing Arts, Sports, and Similar Events with Facilities	17	21	24	85	111	111	111	111	111	94	\$25,750
445220	Fish and Seafood Markets	38	50	58	74	91	96	100	103	106	68	\$26,018
311340	Nonchocolate Confectionery Manufacturing	<10	0	14	20	20	21	22	22	23	--	\$26,032
812199	Other Personal Care Services	970	878	1,071	1,168	1,317	1,437	1,535	1,620	1,695	725	\$26,139
722310	Food Service Contractors	722	675	743	874	867	841	820	803	788	66	\$26,191
453910	Pet and Pet Supplies Stores	420	446	455	516	594	619	640	658	675	255	\$26,739
511191	Greeting Card Publishers	0	0	<10	11	11	11	<10	<10	<10	--	\$26,783
452112	Discount Department Stores	2,322	2,235	2,259	2,240	2,219	2,331	2,431	2,521	2,604	282	\$26,880
485320	Limousine Service	45	68	93	116	124	133	140	145	150	105	\$26,982
812320	Drycleaning and Laundry Services (except Coin-Operated)	960	928	904	852	860	836	820	809	801	-159	\$27,152
712120	Historical Sites	11	11	14	15	18	19	19	20	20	9	\$27,189
451211	Book Stores	626	613	532	504	430	408	391	379	370	-256	\$27,379
311822	Flour Mixes and Dough Manufacturing from Purchased Flour	<10	<10	31	22	23	28	31	34	36	--	\$27,484
311823	Dry Pasta Manufacturing	16	<10	12	24	20	18	17	16	15	-1	\$27,484
623210	Residential Mental Retardation Facilities	1,515	1,562	1,485	1,536	1,551	1,624	1,686	1,742	1,792	277	\$27,610
611610	Fine Arts Schools (Private)	309	339	384	424	494	519	538	555	568	259	\$27,685
712110	Museums	183	180	185	120	134	132	130	129	129	-54	\$27,693
337215	Showcase, Partition, Shelving, and Locker Manufacturing	<10	<10	<10	<10	<10	<10	<10	<10	<10	--	--
448150	Clothing Accessories Stores	111	124	179	174	185	201	215	227	238	127	\$27,728
561720	Janitorial Services	4,149	4,531	5,490	5,426	5,307	5,623	5,886	6,109	6,305	2,156	\$27,871
483114	Coastal and Great Lakes Passenger Transportation	<10	<10	<10	10	<10	<10	<10	<10	<10	--	--
332995	Other Ordnance and Accessories Manufacturing	0	0	0	<10	<10	<10	<10	<10	<10	--	--
332994	Small Arms Manufacturing	0	0	0	0	0	0	0	<10	<10	--	\$0

Source: EMSI Analyst Data 2013.3

NAICS Code	Description	Austin Employment									Change	2013 Avg. Earnings
		2009	2010	2011	2012	2013	2014	2015	2016	2017		
451110	Sporting Goods Stores	774	786	867	920	877	942	998	1,047	1,092	318	\$28,199
487210	Scenic and Sightseeing Transportation, Water	18	16	12	12	<10	<10	<10	<10	<10	--	--
611410	Business and Secretarial Schools (Private)	166	146	84	91	91	79	71	63	58	-108	\$28,422
453110	Florists	154	149	164	160	168	164	162	162	162	8	\$28,822
561431	Private Mail Centers	87	87	70	76	77	76	76	76	77	-10	\$28,842
485999	All Other Transit and Ground Passenger Transportation	11	43	60	85	82	79	77	75	75	64	\$29,256
445291	Baked Goods Stores	29	25	20	33	40	41	42	42	43	14	\$29,320
624210	Community Food Services	120	127	177	181	189	201	210	218	225	105	\$29,410
611210	Junior Colleges (Private)	56	62	72	72	80	77	75	74	73	17	\$29,480
311919	Other Snack Food Manufacturing	68	130	135	140	148	169	187	203	217	149	\$29,671
337122	Nonupholstered Wood Household Furniture Manufacturing	70	47	31	37	31	22	16	12	<10	--	\$29,773
115116	Farm Management Services	<10	<10	<10	<10	<10	<10	<10	<10	<10	--	--
445292	Confectionery and Nut Stores	25	17	15	36	40	37	35	34	32	7	\$29,903
713910	Golf Courses and Country Clubs	1,373	1,301	1,317	1,320	1,617	1,654	1,689	1,722	1,753	380	\$29,998
611630	Language Schools (Private)	120	144	172	186	214	224	232	238	243	123	\$30,032
713120	Amusement Arcades	<10	12	21	28	30	27	26	26	27	--	\$30,043
445299	All Other Specialty Food Stores	273	254	284	264	305	303	302	302	301	28	\$30,139
541213	Tax Preparation Services	283	318	342	315	308	323	335	345	353	70	\$30,160
811490	Other Personal and Household Goods Repair and Maintenance	109	127	122	121	128	128	129	129	130	21	\$30,161
812112	Beauty Salons	1,790	1,706	1,753	1,829	1,956	1,993	2,024	2,051	2,075	285	\$30,164
452111	Department Stores (except Discount Department Stores)	1,869	1,893	1,887	1,853	1,766	1,694	1,639	1,594	1,558	-311	\$30,404
445210	Meat Markets	297	288	267	252	304	310	316	321	326	29	\$30,559
811198	All Other Automotive Repair and Maintenance	31	33	39	40	44	46	48	49	51	20	\$30,610
448110	Men's Clothing Stores	222	211	241	265	243	241	241	240	240	18	\$30,680
721110	Hotels (except Casino Hotels) and Motels	6,530	6,754	7,325	8,492	8,603	8,954	9,243	9,488	9,701	3,171	\$30,897
444220	Nursery, Garden Center, and Farm Supply Stores	314	263	261	279	333	319	309	300	294	-20	\$30,959

Source: EMSI Analyst Data 2013.3

NAICS Code	Description	Austin Employment									Change	2013 Avg. Earnings
		2009	2010	2011	2012	2013	2014	2015	2016	2017		
485991	Special Needs Transportation	0	0	0	<10	<10	<10	<10	<10	<10	--	--
811118	Other Automotive Mechanical and Electrical Repair and Maintenance	219	201	207	207	202	185	172	161	152	-67	\$31,016
324121	Asphalt Paving Mixture and Block Manufacturing	<10	<10	<10	<10	<10	<10	<10	<10	<10	--	--
532230	Video Tape and Disc Rental	491	339	257	212	174	129	90	57	28	-463	\$31,084
532220	Formal Wear and Costume Rental	26	22	29	21	17	13	<10	<10	<10	--	\$31,134
561421	Telephone Answering Services	81	101	98	97	102	103	104	105	107	26	\$31,165
488320	Marine Cargo Handling	<10	<10	<10	<10	<10	<10	<10	<10	<10	--	--
561491	Repossession Services	48	61	59	51	56	60	62	64	66	18	\$31,407
611691	Exam Preparation and Tutoring (Private)	625	635	990	970	1,148	1,224	1,285	1,335	1,377	752	\$31,463
721199	All Other Traveler Accommodation	21	24	16	<10	<10	<10	<10	<10	<10	--	--
811430	Footwear and Leather Goods Repair	28	27	27	28	29	29	29	29	29	1	\$31,734
325611	Soap and Other Detergent Manufacturing	<10	11	<10	10	12	12	13	13	14	--	\$31,782
444110	Home Centers	2,044	2,036	2,040	1,744	1,888	1,957	2,021	2,080	2,136	92	\$31,827
445110	Supermarkets and Other Grocery (except Convenience) Stores	9,011	9,021	9,278	9,740	10,044	10,262	10,453	10,625	10,783	1,772	\$31,841
623110	Nursing Care Facilities	1,670	1,950	2,230	2,209	2,229	2,317	2,393	2,459	2,519	849	\$32,008
721310	Rooming and Boarding Houses	170	173	169	143	133	127	123	121	120	-50	\$32,101
311911	Roasted Nuts and Peanut Butter Manufacturing	20	13	<10	12	<10	<10	<10	<10	<10	--	--
453920	Art Dealers	93	90	96	98	102	97	93	88	85	-8	\$32,490
323113	Commercial Screen Printing	230	232	246	267	268	280	291	301	310	80	\$32,708
713930	Marinas	85	79	83	87	108	109	111	112	113	28	\$32,819
621610	Home Health Care Services	3,443	3,837	4,214	4,505	4,700	4,935	5,140	5,326	5,496	2,053	\$32,860
812922	One-Hour Photofinishing	12	11	<10	<10	<10	<10	<10	<10	<10	--	--
452910	Warehouse Clubs and Supercenters	2,999	2,908	2,954	2,945	3,059	3,160	3,244	3,317	3,381	382	\$32,987
623312	Homes for the Elderly	1,212	1,230	1,244	1,276	1,276	1,304	1,327	1,346	1,362	150	\$33,006
813110	Religious Organizations	263	272	308	341	364	379	391	400	407	144	\$33,073
623220	Residential Mental Health and Substance Abuse Facilities	367	371	429	439	443	454	464	473	481	114	\$33,265
451140	Musical Instrument and Supplies Stores	179	174	167	217	196	191	187	184	181	2	\$33,304

Source: EMSI Analyst Data 2013.3

NAICS Code	Description	Austin Employment									Change	2013 Avg. Earnings
		2009	2010	2011	2012	2013	2014	2015	2016	2017		
311412	Frozen Specialty Food Manufacturing	245	298	278	300	280	272	266	262	260	15	\$33,474
712190	Nature Parks and Other Similar Institutions	<10	10	10	12	14	15	16	17	18	--	\$33,524
448210	Shoe Stores	595	598	591	618	724	721	718	716	714	119	\$33,538
561320	Temporary Help Services	8,908	10,476	11,883	13,002	14,193	14,598	14,956	15,282	15,583	6,675	\$33,538
623311	Continuing Care Retirement Communities	856	1,035	1,204	1,288	1,367	1,486	1,582	1,663	1,732	876	\$33,779
611699	All Other Miscellaneous Schools and Instruction (Private)	282	262	353	440	503	518	530	539	547	265	\$33,786
561612	Security Guards and Patrol Services	3,238	3,218	3,256	3,424	3,767	3,887	3,987	4,074	4,151	913	\$33,791
811420	Reupholstery and Furniture Repair	35	38	37	37	37	35	34	33	32	-3	\$34,054
531190	Lessors of Other Real Estate Property	52	57	69	66	55	47	41	36	31	-21	\$34,067
624310	Vocational Rehabilitation Services	1,678	1,708	1,741	1,888	1,895	1,952	2,004	2,054	2,102	424	\$34,148
541490	Other Specialized Design Services	19	23	44	46	49	55	59	63	66	47	\$34,270
326191	Plastics Plumbing Fixture Manufacturing	103	90	84	117	103	90	78	68	58	-45	\$34,573
238340	Tile and Terrazzo Contractors	68	61	64	62	57	52	49	46	43	-25	\$34,718
485310	Taxi Service	256	264	248	240	250	259	265	271	275	19	\$34,736
337920	Blind and Shade Manufacturing	96	78	35	29	25	16	10	<10	<10	--	\$34,793
311920	Coffee and Tea Manufacturing	<10	11	10	11	<10	<10	<10	<10	<10	--	--
337212	Custom Architectural Woodwork and Millwork Manufacturing	10	<10	<10	<10	<10	<10	10	11	12	2	--
446130	Optical Goods Stores	226	223	250	265	274	278	280	282	283	57	\$35,020
711110	Theater Companies and Dinner Theaters	325	318	321	303	365	359	355	353	351	26	\$35,041
812210	Funeral Homes and Funeral Services	201	190	189	190	199	202	206	209	212	11	\$35,261
711120	Dance Companies	110	85	88	83	99	95	92	90	88	-22	\$35,291
811112	Automotive Exhaust System Repair	37	36	35	37	34	29	25	21	18	-19	\$35,471
424710	Petroleum Bulk Stations and Terminals	16	16	15	16	15	12	<10	<10	<10	--	\$35,640
311615	Poultry Processing	<10	<10	<10	<10	<10	<10	<10	<10	<10	--	--

Source: EMSI Analyst Data 2013.3

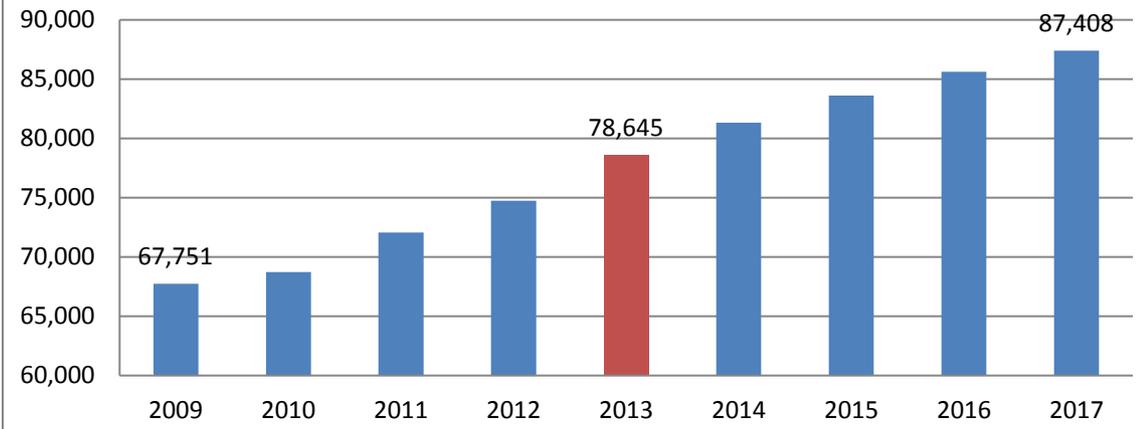
NAICS Code	Description	Austin Employment									Change	2013 Avg. Earnings
		2009	2010	2011	2012	2013	2014	2015	2016	2017		
453310	Used Merchandise Stores	703	721	794	807	928	957	981	1,000	1,017	314	\$35,828
441310	Automotive Parts and Accessories Stores	985	991	1,002	1,013	1,030	1,033	1,036	1,040	1,043	58	\$35,967
424470	Meat and Meat Product Merchant Wholesalers	<10	<10	<10	<10	<10	<10	<10	<10	<10	--	--
532120	Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing	176	157	159	162	155	159	164	168	172	-4	\$36,109
541214	Payroll Services	332	296	400	713	732	805	864	914	957	625	\$36,346
424920	Book, Periodical, and Newspaper Merchant Wholesalers	128	128	118	117	119	109	101	94	89	-39	\$36,525
112000	Animal Production	67	77	67	74	76	77	78	79	79	12	\$36,543
441210	Recreational Vehicle Dealers	10	<10	10	<10	<10	<10	<10	<10	<10	--	--
561422	Telemarketing Bureaus and Other Contact Centers	2,720	2,316	2,844	2,787	2,937	3,020	3,098	3,172	3,242	522	\$37,183
446191	Food (Health) Supplement Stores	64	68	110	177	193	203	211	217	222	158	\$37,185
336214	Travel Trailer and Camper Manufacturing	<10	<10	<10	<10	<10	<10	<10	<10	<10	--	--
811211	Consumer Electronics Repair and Maintenance	152	97	63	34	29	27	25	23	21	-131	\$37,415
447190	Other Gasoline Stations	124	121	125	116	111	98	88	80	73	-51	\$37,522
561613	Armored Car Services	87	88	106	96	106	109	112	114	116	29	\$37,530
332323	Ornamental and Architectural Metal Work Manufacturing	129	124	130	107	112	112	112	111	111	-18	\$37,632
623990	Other Residential Care Facilities	134	128	124	87	74	66	60	56	54	-80	\$37,646
561210	Facilities Support Services	98	111	184	194	181	173	168	166	165	67	\$37,762
445310	Beer, Wine, and Liquor Stores	403	373	403	432	512	518	523	527	530	127	\$37,850
812331	Linen Supply	241	241	226	220	229	226	224	223	224	-17	\$37,870
624221	Temporary Shelters	265	318	336	299	304	314	323	331	337	72	\$37,950
561730	Landscaping Services	2,632	2,809	2,867	2,939	2,806	2,952	3,082	3,201	3,312	680	\$38,436
531130	Lessors of Miniwarehouses and Self-Storage Units	190	193	258	254	249	274	295	313	329	139	\$38,715
562998	All Other Miscellaneous Waste Management Services	28	30	22	65	70	77	83	89	95	67	\$38,911
811412	Appliance Repair and Maintenance	22	28	24	35	38	39	40	41	42	20	\$39,028

Source: EMSI Analyst Data 2013.3

NAICS Code	Description	Austin Employment									Change	2013 Avg. Earnings
		2009	2010	2011	2012	2013	2014	2015	2016	2017		
337211	Wood Office Furniture Manufacturing	27	18	<10	<10	<10	<10	<10	<10	<10	--	--
511199	All Other Publishers	115	151	187	204	204	218	228	237	245	130	\$39,266
311612	Meat Processed from Carcasses	27	27	34	35	33	33	33	33	33	6	\$39,300
484210	Used Household and Office Goods Moving	351	331	391	434	424	430	436	440	443	92	\$39,369
492210	Local Messengers and Local Delivery	199	230	169	156	153	143	136	130	126	-73	\$39,477
321214	Truss Manufacturing	24	38	52	53	52	49	47	47	47	23	\$39,515
321918	Other Millwork (including Flooring)	20	21	33	36	37	34	33	32	31	11	\$39,531
442291	Window Treatment Stores	29	29	29	22	19	16	14	12	10	-19	\$39,636
813410	Civic and Social Organizations	1,966	1,924	2,050	2,171	2,273	2,350	2,415	2,472	2,522	556	\$39,754
448310	Jewelry Stores	439	422	425	531	622	620	619	619	620	181	\$39,831
238320	Painting and Wall Covering Contractors	623	621	558	663	698	725	752	779	807	184	\$39,857
311830	Tortilla Manufacturing	103	113	82	83	73	69	66	64	61	-42	\$39,868
532111	Passenger Car Rental	446	402	395	473	443	450	458	466	474	28	\$39,878
423140	Motor Vehicle Parts (Used) Merchant Wholesalers	30	25	24	27	24	21	18	15	13	-17	\$39,956
811191	Automotive Oil Change and Lubrication Shops	515	542	559	581	632	672	707	739	768	253	\$40,146
493120	Refrigerated Warehousing and Storage	0	0	<10	<10	<10	<10	<10	<10	<10	--	--
332312	Fabricated Structural Metal Manufacturing	27	28	30	34	38	40	42	44	46	19	\$40,221
562112	Hazardous Waste Collection	0	0	<10	<10	<10	<10	<10	<10	<10	--	--
212311	Dimension Stone Mining and Quarrying	17	25	24	32	27	27	27	27	27	10	\$40,227
491110	Postal Service (Private Sector)	<10	10	12	<10	<10	<10	<10	<10	<10	--	--
812921	Photofinishing Laboratories (except One-Hour)	19	18	10	12	11	<10	<10	<10	<10	--	\$40,265
711130	Musical Groups and Artists	212	241	217	230	280	274	270	267	265	53	\$40,311
611511	Cosmetology and Barber Schools (Private)	61	64	71	78	91	95	98	101	103	42	\$40,441
562910	Remediation Services	101	92	88	109	95	78	65	54	44	-57	\$40,657
453210	Office Supplies and Stationery Stores	528	523	533	669	652	668	683	699	714	186	\$40,700
621310	Offices of Chiropractors	744	1,015	500	478	483	493	502	511	519	-225	\$40,765
238120	Structural Steel and Precast Concrete Contractors	240	220	205	245	249	242	238	235	234	-6	\$40,766
541870	Advertising Material Distribution Services	45	50	27	12	10	<10	<10	<10	<10	--	\$40,934
	<b>Total</b>	<b>84,605</b>	<b>87,192</b>	<b>92,805</b>	<b>97,587</b>	<b>101,657</b>	<b>104,658</b>	<b>107,275</b>	<b>109,624</b>	<b>111,774</b>	<b>27,169</b>	<b>\$32,711</b>

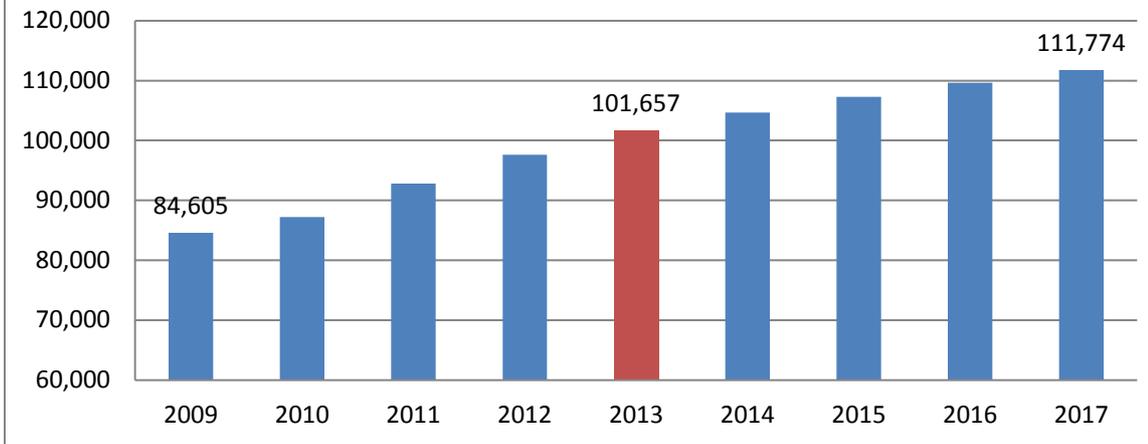
Source: EMSI Analyst Data 2013.3

**Austin Employment < 50% MFI (<\$25,650)**



Year	<50% Growth	Growth Rate
2009	67,751	
2015	83,631	23%
2017	87,408	29%

**Austin Employment 50% -80% MFI (\$25,650-\$41,000)**



Year	50% to 80% Growth	Growth Rate
2009	87,192	
2015	107,275	23%
2017	111,774	28%



**Council Question and Answer**

<b>Related To</b>	Item #10	<b>Meeting Date</b>	April 13, 2017
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Additional Answer Information

**QUESTION:** 1) Does the Texas legislature provide enough flexibility within established Homestead Preservation Districts to make possible the provision of property tax "circuit breakers" to provide relief for low-income residents and seniors attempting to preserve ownership of their homestead in Austin. 2) Where do manufactured/mobile homes fit into the strategic housing plan? This housing type is specifically recommended in the recent Final Report from the Mayor's Task Force on Institutional Racism and Systemic Inequities as a housing type which we should be encouraging. What strategies are we pursuing to preserve and promote this housing type? 3) What updates are being considered to the SMART housing program and how is the public involved in that process? 4) What strategies are we pursuing in this plan to partner and support the work of neighborhood-based Community Development Corporations? 5) The recent Final Report from the Mayor's Task Force on Institutional Racism and Systemic Inequities recommends developing a plan to conduct and fund regular matched pair housing discrimination testing. Does NHCD support integrating this recommendation into the Strategic Housing Plan? 6) Which specific strategies in the report would advance our draft 10-year target goal to have 25% of affordable housing units that are created and preserved have two or more bedrooms AND a preference for families with children? 7) If we were to set a numerical goal on the number of units at 0-30% MFI and 30-60% MFI by council district to be created or preserved by 2025, what number(s) would you recommend? 8) Page 14 of the report describes a goal of 135,197 housing units by 2025 based on an estimated MSA population change. Does our methodology break down the number of units needed by specific bedroom counts? Do we have a specific goal for the number of units needed that are 3 or more bedrooms, or 4 or more units? Does our methodology assume that the average household size remains the same over the next 10 years? 9) Page 27 of the report discusses Low Income Housing Tax Credits and recommends that the City consider strategically prioritizing support for applications based on community priorities. Please provide examples of what that might look like and what policy changes would be required to act on that recommendation. 10) Please provide copies of any strategic housing plans adopted by other municipalities that are good models of effective affordable housing strategies. COUNCIL MEMBER ALTER'S OFFICE  
COUNCIL MEMBER ALTER'S OFFICE

**ANSWER:**

*1) Page 14 of the report describes a goal of 135,197 housing units by 2025 based on an estimated MSA population change. Does our methodology break down the number of units needed by specific bedroom counts? Do we have a specific goal for the number of units needed that are 3 or more bedrooms, or 4 or more units? Does our methodology assume that the average household size remains the same over the next 10 years?*

The plan does not break down the number of units needed by specific bedroom counts and does not include a specific goal for the number of units needed by bedroom count.

The methodology does assume that the average household size remains the same over the next 10 years, as it has been fairly consistent over the last 20 years.

[http://www.austintexas.gov/sites/default/files/files/Planning/Demographics/city\\_of\\_austin\\_profile\\_2010.pdf](http://www.austintexas.gov/sites/default/files/files/Planning/Demographics/city_of_austin_profile_2010.pdf)

2. *Does the Texas legislature provide enough flexibility within established Homestead Preservation Districts to make possible the provision of property tax "circuit breakers" to provide relief for low-income residents and seniors attempting to preserve ownership of their homestead in Austin.*

No, the Homestead Preservation District legislation does not enable any sort of tax exemption or tax abatement program for residents within the district. For more information about Homestead Preservation Districts please visit: <https://austintexas.gov/page/homestead-preservation-districts>

3. *Where do manufactured/mobile homes fit into the strategic housing plan? This housing type is specifically recommended in the recent Final Report from the Mayor's Task Force on Institutional Racism and Systemic Inequities as a housing type which we should be encouraging. What strategies are we pursuing to preserve and promote this housing type?*

The Austin Strategic Housing Plan acknowledges mobile homes in the strategy to implement the Tenant Relocation Assistance Program.

Zoning determines where mobile homes can be located.

4. *What updates are being considered to the SMART housing program and how is the public involved in that process?*

In the last month, NHCD staff met with affordable housing stakeholders and others familiar with the SMART Housing program and will meet with private developers in the near future. Staff and stakeholders have brainstormed ideas about how to improve the program to better serve the community in creating affordable housing units. However, no final proposal has been developed. Potential updates identified for consideration include:

- Streamline language associated with building code (accessibility and visitability) requirements
- Allow for transit criterion to be met by proximity to existing, or planned, transit route
- Lower MFI threshold to 80% for ownership (60% for rental)
- Adjust percentage of affordable units required to achieve fee waivers
- Lengthen affordability periods
- Clarify which units capital recovery fees waivers may be applied to (affordable units as defined by federal code)
- Explore new incentives to meet the challenges posed by lack of expedited review and issues associated with capital recovery fee waivers (cost participation in infrastructure upgrades, fee waivers for new expedited review program, changing affordability set-asides required to achieve fee waivers, cash payments)

5) *What strategies are we pursuing in this plan to partner and support the work of neighborhood-based Community Development Corporations?*

The plan acknowledges that the City of Austin is not able to implement the plan alone. It will take a community effort and the plan provides numerical goals and strategies to reach those goals. Specifics about the strategies would be detailed through additional outreach and engagement with the community and stakeholders (including Community Development Corporations) regarding implementation of the plan.

6) *The recent Final Report from the Mayor's Task Force on Institutional Racism and Systemic Inequities recommends developing a plan to conduct and fund regular matched pair housing discrimination testing. Does NHCD support integrating this recommendation into the Strategic Housing Plan?*

Yes, page 23 of the Austin Strategic Housing Plan states, "Implement the City of Austin's Fair Housing Action Plan and Bolster Enforcement of Existing Fair Housing Requirements." The City of Austin's Fair Housing Action Plan identifies, "enhanced matched pair testing and enforcement for lending, steering, leasing and sales for all

protected classes, especially persons with disabilities” on page 5.

*7) Which specific strategies in the report would advance our draft 10-year target goal to have 25% of affordable housing units that are created and preserved have two or more bedrooms AND a preference for families with children?*

This goal is specifically for the Neighborhood Housing and Community Development Department. When the City of Austin funds affordable housing, it would ensure that the mix of units would be consistent with this goal. Strategies to encourage housing units to be created and preserved with two or more bedrooms continue to be explored per a recommendation from the Planning Commission.

*8) If we were to set a numerical goal on the number of units at 0-30% MFI and 30-60% MFI by council district to be created or preserved by 2025, what number(s) would you recommend?*

The Austin Strategic Housing Plan identifies a goal of creating or preserving 20,000 housing units at 0-30% MFI and 25,000 housing units at 31-60% MFI. There are 10 council districts with roughly similar populations, so a goal could be derived by dividing these numbers by 10.



**Council Question and Answer**

<b>Related To</b>	Item #10	<b>Meeting Date</b>	April 13, 2017
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Additional Answer Information

**QUESTION:** 1) The Strike Fund is mentioned in the Strategic Housing Plan as one of the tools to preserve existing affordable housing – the original goal was to preserve 20,000 units over 20 years. There is some language about the structure of the fund, but can staff share more details about how the fund might be structured, what is the MFI level that the fund would focus on, and how would the ownership and management of the properties be handled? 2) This question is being asked by other offices, but if we adopt this plan with policies such as relaxed parking requirements and increased occupancy limits within it, does that mean that we in effect adopting the policies as they are described in the Strategic Housing Plan? 3) Can the staff describe the feasibility of some of the goals described within the plan? Some seem achievable, others do not. Can you assist us in determining which ones are feasible? 4) On page 32, the plan discussed revising regulations on small lots, reducing parking requirements, lot width and setback requirements as part of a density bonus program. How would something like this work within existing neighborhood plans? 5) Can you point to studies showing that more housing supply successfully leads to lower housing prices for various levels of income, including those below 80% MFI? 6) Request for a map of publicly owned land including those owned by other public entities (AISD, TXDOT, CapMetro, State) and City of Austin owned lands. COUNCIL MEMBER POOL'S OFFICE

**ANSWER:**

*1) The Strike Fund is mentioned in the Strategic Housing Plan as one of the tools to preserve existing affordable housing – the original goal was to preserve 20,000 units over 20 years. There is some language about the structure of the fund, but can staff share more details about how the fund might be structured, what is the MFI level that the fund would focus on, and how would the ownership and management of the properties be handled?*

The Austin Strategic Housing Plan is a 10 year plan. Council adopted a goal to preserve 20,000 housing units over 20 years (Resolution No. 20141016-034) and the housing plan focuses on tackling the first half of that goal over the 10 year scope of the plan.

The "Strike Fund" is expected to be a private equity fund and is in the process of being developed by a group of real estate and affordable housing professionals. The nonprofit operating company - Affordable Central Texas (ACT) - has been formed. The vision for ACT is "to create a means for acquiring and preserving residential properties for long term workforce affordability in all parts of town, consistent with the goals of Imagine Austin."

ACT's mission is to focus on preserving "market affordable" (also known as "naturally occurring affordable housing") multifamily rental properties. Typically, those properties serve households between 60% and 120% MFI. ACT plans to partner with experienced mission-aligned operating partners. Properties expect to accept Housing Choice Vouchers, in order to serve lower-income households. Subsidies could be layered in over time, in order to preserve deeper and long term affordability.

*2. This question is being asked by other offices, but if we adopt this plan with policies such as relaxed parking requirements and increased occupancy limits within it, does that mean that we in effect adopting the policies as they are described in the Strategic Housing Plan?*

By adopting the Austin Strategic Housing Plan, City Council demonstrates its commitment to implementation of the plan. However, every action item listed in this plan will require separate and specific implementation. Adoption of the plan does not begin the implementation of any item. Approval of the plan does not legally obligate the City to implement any particular action item.

*3. Can the staff describe the feasibility of some of the goals described within the plan? Some seem achievable, others do not. Can you assist us in determining which ones are feasible?*

The goals represent desired results and aspirational outcomes based on five community values identified throughout community engagement and the development of the plan with the community. Strategies and mechanisms to achieve the goal of 60,000 affordable units below 80% MFI are outlined on page 18 of the plan. Strategies and mechanisms to achieve all of the goals in the plan are included throughout the plan.

*4. On page 32, the plan discussed revising regulations on small lots, reducing parking requirements, lot width and setback requirements as part of a density bonus program. How would something like this work within existing neighborhood plans?*

Regulatory waivers could be offered in exchange for community benefits such as income restricted affordable housing units. Density is just one form of developer incentive that could be offered; these are other examples of potential policy levers that could be utilized in a context sensitive manner determined by CodeNEXT.

*5) Can you point to studies showing that more housing supply successfully leads to lower housing prices for various levels of income, including those below 80% MFI?*

This study is footnoted on page 19 of the Draft Austin Strategic Housing Plan shows that increasing the supply of both subsidized and market-rate housing help affordability for low-income households:

Housing Production, Filtering and Displacement: Untangling the Relationships

[http://www.urbandisplacement.org/sites/default/files/images/udp\\_research\\_brief\\_052316.pdf](http://www.urbandisplacement.org/sites/default/files/images/udp_research_brief_052316.pdf)

*6) Request for a map of publicly owned land including those owned by other public entities (AISD, TXDOT, CapMetro, State) and City of Austin owned lands.*

NHCD staff is not aware of a map responsive to this request. A preliminary review of the task to develop the map will require additional time to create, with assistance from the multiple entities to provide more details on parcels that can be developed.



## PLANNING COMMISSION RECOMMENDATION 20170328-C-18

Date: March 28, 2017

Subject: Austin Strategic Housing Plan

Motioned By: Commissioner Anderson

Seconded By: Commissioner Schissler

### **Recommendation**

The Planning Commission recommends the Austin Strategic Housing Plan with the following amendments.

Add a section regarding family-friendly housing with specific strategies to create multi-bedroom units for families.

Add a section with specific strategies to address gentrification.

Set goals for unit mix by type in accordance with the projected need for future units, per Fregonese and Associates, on page 10 of the Strategic Housing Plan and include strategies that encourage families.

Set a goal for affordable housing in high opportunity areas.

The City should utilize inclusionary zoning in Homestead Preservation Districts.

### **Vote: 12 -0**

For: Chair Oliver, Vice-Chair Kazi and Commissioners Anderson, De Hoyos Hart, McGraw, Nuckols, Schissler, Seeger, Shieh, Thompson, Vela and Zaragoza.

Absent: Commissioner White

Attest:

## **Planning Commission**

Approved Minutes

March 28, 2017

### **Austin Strategic Housing Plan**

Motion by Commissioner Anderson, seconded by Commissioner Schissler to recommend the Austin Strategic Housing Plan.

Amendment by Commissioner Vela, seconded by Commissioner Schissler to increase the goal of New Housing Units by 2025 to 183,000 units was lost on a vote of 6-6. Those voting aye were Chair Oliver and Commissioners Anderson, Nuckols, Schissler, Thompson and Vela. Those voting nay were Vice-Chair Kazi and Commissioners De Hoyos Hart, McGraw, Seeger, Shieh, and Zaragoza. Commissioner White absent

Amendment by Commissioner Zaragoza, seconded by Commissioner Shieh to add a section regarding family-friendly housing with specific strategies to create multi-bedroom units for families, was adopted on a vote of 9-3. Those voting aye were Chair Oliver and Commissioners Anderson, De Hoyos Hart, McGraw, Nuckols, Shieh, Vela and Zaragoza. Those voting nay were Vice-Chair Kazi and Commissioners Thompson and Schissler. Commissioner White absent.

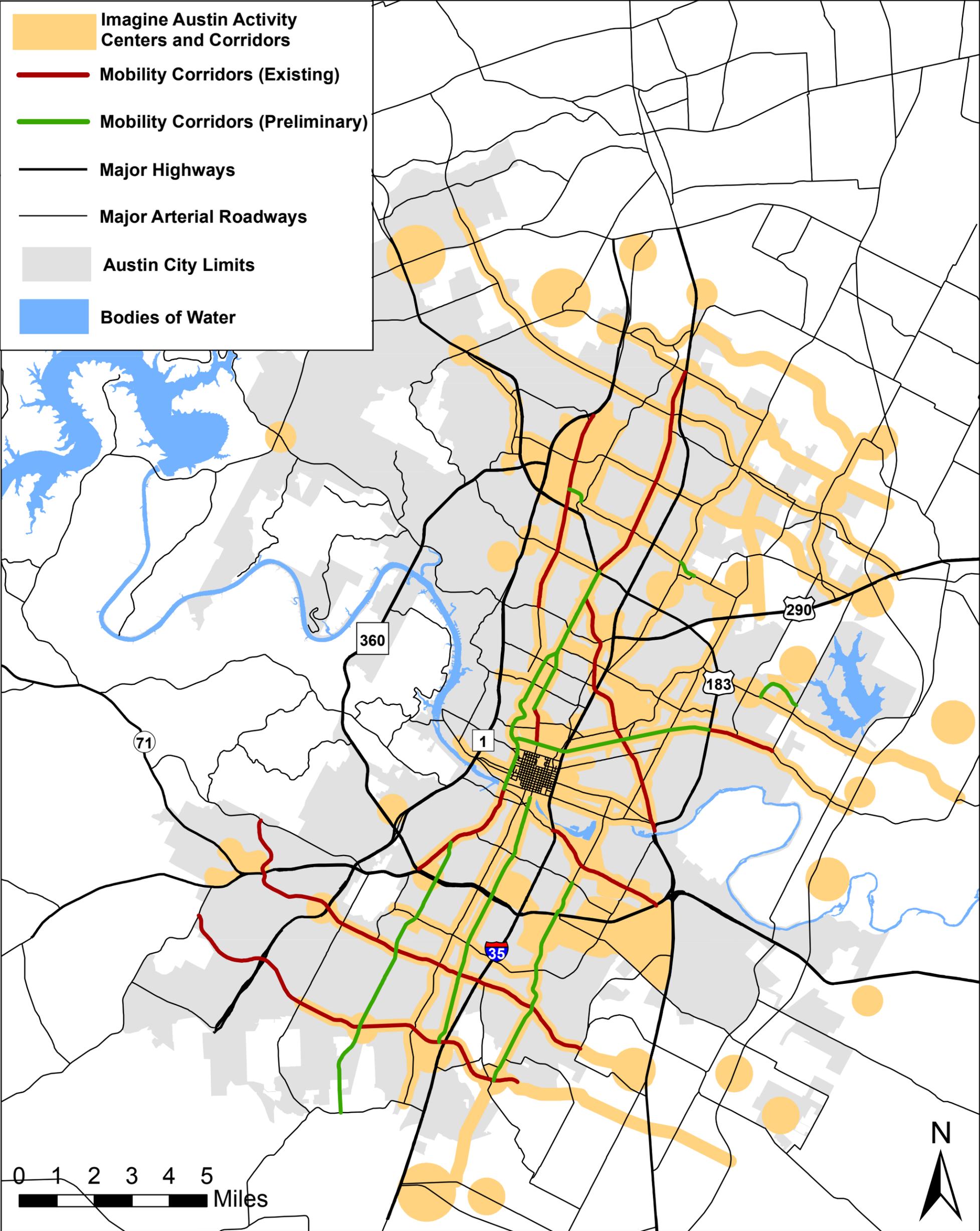
Amendment by Commissioner Zaragoza, seconded by Commissioner De Hoyos Hart to add a section with specific strategies to address gentrification, was adopted on a vote of 11-0. Commissioner Schissler abstained. Commissioner White absent.

Amendment by Commissioner Zaragoza, seconded by Vice-Chair Kazi to set goals for unit mix by type in accordance with the projected need for future units, per Fregonese and Associates, on page 10 of the Strategic Housing Plan and include strategies that encourage families, was adopted on a vote of 11-1. Commissioner Thompson voted nay. Commissioner White absent.

Amendment by Commissioner Zaragoza, seconded by Commissioner Seeger to set a goal for affordable housing in high opportunity areas, was adopted on a vote of 12-0. Commissioner White absent.

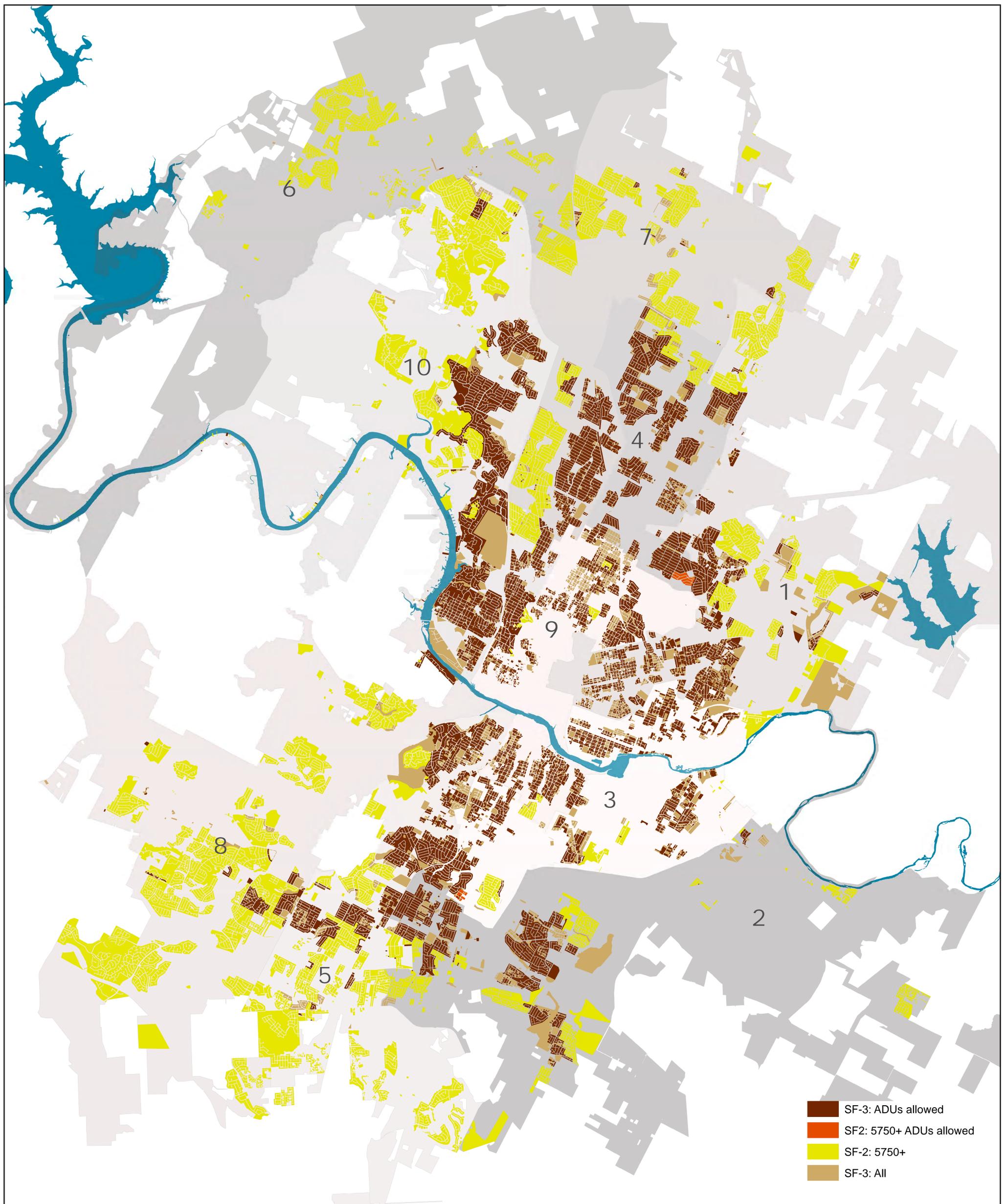
Amendment by Commissioner Nuckols, seconded by Commissioner Thompson to make it clear that the City should utilize inclusionary zoning in Homestead Preservation Districts, was adopted on a vote of 11-1. Commissioner Schissler vote nay. Commissioner White absent.

After debate and amendment, the motion by Commissioner Anderson, seconded by Commissioner Schissler to recommend the Austin Strategic Housing Plan was approved on a unanimous vote of 12-0. Commissioner White absent.



**Relationship between Imagine Austin Activity Centers/Corridors and Mobility Corridors**

# SF-3 and SF-2





City of Austin, Texas  
 Request for Applications RFP SMB0302: Depository Services  
 Application Form 0610  
 Submitted by:

Bidding Institution Name

*NOTE: This form must be completed in its entirety and signed in ink below. Applicants should be certain that the completed form contains ALL of the fee charges*

*that will appear on the account analysis for the services required. Enter price proposal in column J. Do not change or otherwise edit formulas or format.*

*Do NOT insert Excel lines or columns into the worksheet. Use "blank" rows for proposer-added pricing items when needed to meet provided specifications. Include descriptions.*

*Any proposer-added service items and pricing must use annual volume estimate (pricing that is provided without related service volume is not allowed).*

*The City reserves the right to edit or otherwise correct the estimated volume for fee charges that are inserted or otherwise modified by the applicant.*

AFP Service Code	Service Item	Annual Volume Estimate *	Price Per Item	Annual Total Cost Estimate By Service	Sub-Total
Check Returns					
100400	Return Item	1,500			
100401	Return Alternate Address	500			
100402	Return Item Redeposit	1,500			
100411	Return Detail Reporting	2,000			
100230	Deposit Corrections - Non-Cash	200			
International Services					
609999	Deposited Check - In't	25			
Lobby/Branch Services					
100000	Branch Credits Posted	20,000			
100000	Branch Deposit - Immediate Verif	1,750,000			
10004A	Branch Order Currency Strap	2,500			
100040	Branch Order Processed	800			
100044	Branch Order - Coin Roll	3,500			
100007	Banch Deposit - Post Verif	1,750,000			
100099	Branch Deposit in Non Std Bag	500			
100500	Branch Deposit Adjustment	200			

\* Annual volumes are best estimate. Actual usage will vary.





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AFP Service Code	Service Item	Annual Volume Estimate *	Price Per Item	Annual Total Cost Estimate By Service	Sub-Total
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**3 ELECTRONIC FUNDS TRANSFER**

Funds Transfer Services

350300	Fed Credit S/T	1,000			
350300	Fed Credit Repair	10			
350310	Chips Credit S/T	100			
350320	Book Credit	500			
350521	Wire Drawdown	300			
350104	Electronic Fed Debit S/T	1,500			
350113	Electronic Chip Debit S/T	300			
350124	Electronic Book Debit S/T	1,000			
359999	Account Maintenance	12			
	International Wires	50			

Wire Advice

	Mail	1			

ACH

250000	ACH Maintenance	132			

**City of Austin, Texas**  
**Request for Applications RFP SMB0302: Depository Services**  
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AFP Service Code	Service Item	Annual Volume Estimate *	Price Per Item	Annual Total Cost Estimate By Service	Sub-Total
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ACH Originated Transactions

250501	ACH Batch/File Processed	2,000			
250101	Credit Originated	500,000			
250100	Debit Originated	2,500,000			
250102	Debit/Credit Originated - Other	3,500			
250620	ACH Deletion - Electronic	10			
250620	ACH Reversal - Electronic	10			
250302	ACH Return Item	20,000			
250400	ACH Return Notification - Online	20,000			
250400	ACH Return Notification - Email	5,000			
250400	ACH Return Notification - Transm.	20,000			
251070	ACH Notification of Change (NOC)	10,000			
250400	ACH NOC - Online	10,000			
251070	ACH NOC - Email	1,000			
250702	ACH Transaction Summary Report	1,000			

ACH Non-Originated CR/DR

250200	Debit Received	10,000			
250201	Credit Received	50,000			

ACH Other

250120	Addenda Record Originated	1,500,000			
300112	EC Trans Fee per 1,000 Char	25,000			



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*The City reserves the right to edit or otherwise correct the estimated volume for fee charges that are inserted or otherwise modified by the applicant.*

AFP Service Code	Service Item	Annual Volume Estimate *	Price Per Item	Annual Total Cost Estimate By Service	Sub-Total
010307	DDA Statements	408			
1500ZZ	Post No Checks Maintenance	500			
010630	Commercial Acct Main - Audit Cofirms	34			
<b>Balance &amp; Transaction Reporting &amp; Management Sub-total</b>					<b>0.00</b>

\* Annual volumes are best estimate. Actual usage will vary.



**City of Austin, Texas**  
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\_\_\_\_\_ Bidding Institution Name \_\_\_\_\_

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AFP Service Code	Service Item	Annual Volume Estimate *	Price Per Item	Annual Total Cost Estimate By Service	Sub-Total
------------------	--------------	--------------------------	----------------	---------------------------------------	-----------

*\* Annual volumes are best estimate. Actual usage will vary.*

**NOTE: Provide information requested below**

1 Indicate the daily cut-off times for same day credit for the following deposit types:

    Encoded checks (6 pm preferred) : \_\_\_\_\_

    Non-encoded checks and cash deposits: \_\_\_\_\_

2 The money market basis used for the earnings allowance credit will be:

\_\_\_\_\_

\_\_\_\_\_

3 Indicate below the money market basis (Fed funds, prime, earnings allowance rate) plus any basis points that will be assessed against an aggregate deficit average daily collected balance position maintained for an entire month.

\_\_\_\_\_

\_\_\_\_\_

4 If the account analysis includes a charge for FDIC insurance, indicate the current formula used to calculate this fee.

\_\_\_\_\_

\_\_\_\_\_

5 Indicate monthly fee rate for depository collateral:

\_\_\_\_\_

6 Indicate the monthly surety bond fee rate:

\_\_\_\_\_

7 Indicate Debt Ratings

    Moody's

\_\_\_\_\_

    S&P

\_\_\_\_\_

    Fitch

\_\_\_\_\_

8 Indicate CRA Rating

\_\_\_\_\_

**Submitted and Authorized By:**

\_\_\_\_\_ Typed/printed name

\_\_\_\_\_ Signature of Authorized Agent

# F. Certifications and Compliance

## F.1 Investment Policy Certification Section 0625

**A copy of the City's Investment Policy is attached as Section 0620. Applicants must indicate they have read and understand the City's investment objectives by signing the Certification document Section 0625.**

We have read and understand the City's investment objectives. Please refer to Appendix 11 for our signed *Certification Document Section 0625 Broker/Dealer*.

## F.2 Community Reinvestment Act (CRA)

**Applicants shall describe their bank's compliance with the Community Reinvestment Act. Responses should, at minimum, address the following:**

**a. A general statement concerning the bank's commitment to the Community Reinvestment Act.**

As a national leader in community development, Bank of America brings the power of our human and financial capital to transform communities into vibrant, desirable places for people to live, work and raise families. In 2009, we committed to a goal of \$1.5 trillion over 10 years towards community investment initiatives across all 50 states. For year-end goal results and additional information about how Bank of America is working to strengthen the fabric of communities where we do business, please visit [www.bankofamerica.com/community](http://www.bankofamerica.com/community).

At Bank of America, we believe our company can succeed only when our communities succeed. Our involvement goes beyond generosity. We seek higher standards in helping communities achieve economic growth, build clean and safe neighborhoods and foster cultural value and diverse opportunities for all.

Since the passage of the CRA, our positive ratings have reflected our continuing commitment to serve the needs our communities.

We believe in giving back to the communities and neighborhoods where we work and live. Bank of America strives toward these goals through a variety of programs, volunteer efforts, grants from the Bank of America Charitable Foundation and sponsorship of events. The Bank of America Charitable Foundation contributed \$986,627 to entities in Travis County in 2015. A sample list of the organizations we are involved with include: Austin Community Foundation, Big Brothers/Big Sisters, Breakthrough, College Forward, Communities in Schools, Foundation Communities, Lifeworks, E3 Alliance and Junior Achievement. In addition, we strongly support education with an emphasis on financial literacy and improving the academic achievement of students. We also focus on supporting community revitalization efforts in homeownership and affordable housing.

Bank of America has 600 associates that work and live in City of Austin, and 19,000 in the State of Texas. Our associates contributed 5,877 hours of community service to the Austin area in 2015.

### **Philanthropic partnerships**

The bank is building pathways to economic progress by addressing community development, workforce development and basic needs. In 2015, the Bank of America Charitable Foundation provided grants and matching gifts on behalf of employees totaling \$986,627.

We have included additional information on our Commitment to the Community for the City of Austin and the State of Texas in Appendices 02 and 03.

**b. Copy of the CRA statement as filed with appropriate banking regulators for the last year.**

Please refer to Appendix 12 for our most recent CRA examination.

**c. Description of the bank's level of compliance with the CRA including the current rating and any documentation which demonstrates compliance. Such documentation would include disclosure of the extent of lending activity in the City of Austin's target neighborhoods.**

Bank of America has received high ratings from the Office of the Comptroller of the Currency. The results of our most recent CRA Texas examination are in Appendix 12.

**d. Discussion of plans to improve or increase access to banking facilities for residents of the City of Austin's target neighborhoods.**

Bank of America was one of the initial financial institutions to join the bank on Central Texas efforts. Our associates worked closely with the United Way to develop a program to assist Central Texas residents with establishing a banking relationship.

Bank of America is continually reviewing our Financial Centers to make sure that they are accessible to all of our customers.

Over the past several years, we have added walk-up ATMs and improved ADA accessibility to several of our Financial Centers in Austin. Bank of America has recently installed four contactless ATMs in Austin with plans to expand to 60 by end of the year. Bank of America remains focused on making our Financial Centers accessible. We are evaluating our current Financial Center locations and are looking to add additional Financial Centers in the Austin Area in the near future.

**e. Discussion of plans to improve or increase access to banking products and services for businesses in the City of Austin's target neighborhoods.**

Bank of America is the largest investor in CDFIs, with more than \$1 billion in investments to more than 240 CDFI partners across the U.S. Through these investments, we are supporting providing financing to local businesses. Launched in 2014, the Tory Burch Foundation Capital Program is a partnership between Bank of America and the Tory Burch Foundation that aims to increase the number and size of businesses owned and led by women, creating communities of women entrepreneurs. The program connects women business owners with affordable loans that are administered through local CDFIs, which provide capital and financial services to underserved markets and populations, including women entrepreneurs. Locally, we support this initiative through investments in PeopleFund and Cen-Tex CDC (aka BCL).

In addition, Bank of America has seven Small Business Bankers, three Business Bankers and two Middle Market Bankers in Austin. These individuals are available to work with companies of all sizes to provide the appropriate financial services to support new and growing businesses.

### Commitment to the Austin, Texas

Bank of America and our predecessors have been serving the Texas market since 1866. The graphic below, highlights our presence in Austin, Texas.



The bank’s commitment to the community begins with our employees and their focus through the Bank of America Foundation to support community development and revitalization, critical needs such as hunger, housing and jobs and workforce development and education.

Bank of America has leading capabilities across all our businesses and a strategy that focuses on connecting our capabilities to deliver for our customers and clients. In every situation, we’re committed to growing responsibly and sustainably — ensuring everything we do aligns to our purpose of helping people live better financial lives. Families have the tools and support they need to live more successful financial lives. Neighborhoods are built on a solid foundation of responsible home lending and economic development. Businesses, small and large, benefit from our financial and intellectual capital. In addition, the organizations, nonprofits and companies addressing society's toughest problems have the resources and expertise of the bank and the efforts of our 200,000+ employees behind them.

The illustration below highlights the bank’s community efforts in Austin, Texas.

#### Community support

##### Philanthropic partnerships

 **\$986,627**

We’re building pathways to economic progress by addressing community development, workforce development and basic needs. In 2015, the Bank of America Charitable Foundation provided grants and matching gifts on behalf of employees.

##### Neighborhood Builders®

Through Neighborhood Builders®, we’re advancing community sustainability by equipping organizations and their leaders with tools and resources to do more, including funding and leadership development workshops.

• E3 Alliance

##### 2015 Employee giving and volunteerism

 **\$140,677**

Total contribution employees pledged to local nonprofits. This amount was matched by our charitable foundation.

 **\$44,902**

Total amount employees pledged to local community needs through the Employee Giving Campaign.

 **5,877 hours**

Employee volunteer hours contributed locally as part of the 2 million volunteer hours given across the company.

## State of Texas Rating

CRA Rating for Texas<sup>6</sup>: Satisfactory

The Lending Test is rated: Low Satisfactory

The Investment Test is rated: Outstanding

The Service Test is rated: Outstanding

The major factors that support this rating include:

- Lending levels that reflect good responsiveness to the credit needs of the state;
- Poor distribution of loans among geographies and good distribution among borrowers of different income levels;
- Investment volume that reflects an excellent level of responsiveness to the needs in the state;
- Service delivery systems are readily accessible to geographies and individuals of different income levels in the bank's assessment areas when considering the additional access from adjacent branches in middle- and upper-income geographies. The bank also provides a relatively high level of community development services.

## Description of Institution's Operations in the State of Texas

BANA is the second largest banking financial institution in the state of Texas. As of June 30, 2011, the bank held 14.3 percent of the state's deposits totaling \$77.6 billion. The bank's primary banking competitors for deposits in Texas include JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A., and USAA Federal Savings Bank, with deposit market shares of 17.7 percent, 9.4 percent, and 8.1 percent, respectively. Of the bank's 47 rating areas, the state of Texas ranks 5<sup>th</sup> and accounts for 8.2 percent of the bank's total deposits. As of December 31, 2011, BANA operated 452 branches and 1,110 full-service ATMs in Texas.

Refer to the market profiles for the state of Texas in Appendix C for detailed demographics and other performance context information for assessment areas that received full-scope reviews.

## Scope of Evaluation in the State of Texas

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<sup>6</sup> For institutions with branches in two or more states in a multistate metropolitan area, this statewide evaluation does not reflect performance in the parts of this state contained within the multistate metropolitan area. Refer to the multistate metropolitan area rating and discussion for the rating and evaluation of the institution's performance in that area.

The bank has defined 30 assessment areas in the state of Texas. The Dallas-Plano-Irving MD, Ft Worth-Arlington MD, and San Antonio-New Braunfels MSA, which were selected for full-scope reviews, together comprise 72 percent of the bank's deposits and 44 percent of the bank's lending in the state of Texas. For purposes of this review, five assessment areas comprising 16 counties that are not MSAs or MDs have been combined under the Texas Non-MSA.

## **LENDING TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

Lending Test performance in Texas is rated Low Satisfactory. Based on full-scope reviews, the bank's Lending Test performance in the Dallas-Plano-Irving (Dallas) MSA, Fort Worth-Arlington (Fort Worth) MSA, and San Antonio-New Braunfels (San Antonio) MSA is adequate. Performance in the limited-scope areas did not negatively affect the overall rating for the Lending Test in the state of Texas.

### **Lending Activity**

Lending activity in the Dallas MSA is excellent. With the leading deposit market share, the bank ranks second, third and second in market share for home purchase, home improvement, and home refinance loans for all lenders within the MSA, respectively. In addition, the bank's small business lending market share rank is fifth while its small farm lending market share is sixth.

Lending activity in the Fort Worth MSA is excellent. With the third deposit market share, the bank ranks second, fifth, and second for home purchase, home improvement and home refinance loans for all lenders within the MSA, respectively. In addition, the bank's small business lending market share rank is sixth while its small farm lending market share is fifth.

Lending activity in the San Antonio MSA is excellent. With the third deposit market share, the bank ranks second, eleventh, and second for home purchase, home improvement and home refinance loans for all lenders within the MSA, respectively. In addition, the bank's small business lending market share rank is seventh while its small farm lending market share is seventh.

Refer to Table 1 Lending Volume in the state of Texas section of Appendix D for the facts and data used to evaluate the bank's lending activity.

### **Distribution of Loans by Income Level of the Geography**

Overall geographic distribution is poor as noted by poor penetration of mortgage loans into LMI geographies and good distribution of small loans to businesses in LMI geographies.

### ***Home Mortgage Loans***

Home purchase loan geographic distribution within the Dallas MSA is adequate. The percentage of loans made in low-income geographies is significantly below and in moderate-income geographies is well below the percentage of owner-occupied units in like geographies. This poor performance is partially offset by excellent market shares. The market share of home purchase loans in low-income geographies is near to and in moderate-income geographies exceeds the bank's overall market share within the MSA.

Home improvement loan geographic distribution within the Dallas MSA is poor. The percentage of loans made in low-income geographies is well below and in moderate-income geographies is significantly below the percentage of owner-occupied units in like geographies. In addition, the market share of home improvement loans in LMI geographies exceeds and is below the bank's overall market share within the MSA, respectively.

Home refinance loan geographic distribution within the Dallas MSA is poor. The percentage of loans made in LMI geographies is significantly below the percentage of owner-occupied units in like geographies. However, the market share of home refinance loans in LMI geographies exceeds the bank's overall market share within the MSA.

Home purchase loan geographic distribution within the Fort Worth MSA is poor. The percentage of loans made in low-and moderate-income geographies is significantly below the percentage of owner-occupied units in like geographies. In addition, the market share of home purchase loans in low-income geographies exceeds and in moderate-income geographies is near to the bank's overall market share within the MSA.

Home improvement loan geographic distribution within the Fort Worth MSA is very poor. The percentage of loans made in low-and moderate-income geographies is significantly below the percentage of owner-occupied units in like geographies. The market share of home improvement loans in LMI geographies is significantly below and well below the bank's overall market share within the MSA, respectively.

Home refinance loan geographic distribution within the Fort Worth MSA is poor. The percentage of loans made in low-and moderate-income geographies is significantly below the percentage of owner-occupied units in like geographies. In addition, the market share of home refinance loans in low-income tracts approximates and in moderate-income tracts exceeds the bank's overall market share within the MSA.

Home purchase loan geographic distribution within the San Antonio MSA is poor. The percentage of loans made in LMI geographies is significantly below the percentage of owner-occupied units in like geographies. This very poor performance is partially offset by good market shares to result in the poor conclusion. The market share of home purchase loans in low-income geographies is near to and in moderate-income geographies exceeds the bank's overall market share within the MSA.

Home improvement loan geographic distribution within the San Antonio MSA is poor. The percentage of loans made in low-income geographies is significantly below and in moderate-income geographies is below the percentage of owner-occupied units in like geographies. Similarly, the market share of home improvement loans in LMI geographies is significantly below and exceeds the bank's overall market share within the MSA, respectively.

Home refinance loan geographic distribution within the San Antonio MSA is poor. The percentage of loans made in LMI geographies is significantly below the percentage of owner-occupied units in like geographies. In addition, the market share of home refinance loans in LMI geographies is well below and exceeds the bank's overall market share within the MSA.

### **Multifamily Loans**

The bank either made no multifamily loans or the volume was minimal in the full-scope assessment areas in Texas; therefore, this analysis was not used in the Lending Test evaluation.

Refer to Tables 2, 3, 4, and 5 in the state of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's home mortgage loan originations/purchases.

### **Small Loans to Businesses**

The geographic distribution of small loans to businesses in the Dallas MSA is good. The distribution of small loans to businesses in low-income geographies is below the percentage of businesses in like geographies. The distribution of small loans to businesses in moderate-income geographies is near to the percentage of businesses in like geographies. The bank's market share of small loans to businesses in LMI geographies is near to its overall market share of small loans to businesses in the MSA.

The geographic distribution of small loans to businesses in the Fort Worth MSA is good. The distribution of small loans to businesses in low-income geographies is below the percentage of businesses in like geographies. The distribution of small loans to businesses in moderate-income geographies is near to the percentage of businesses in like geographies. The bank's market share of small loans to businesses in LMI geographies exceeds and is below its overall market share of small loans to businesses in the MSA, respectively.

The geographic distribution of small loans to businesses in the San Antonio MSA is excellent. The distribution of small loans to businesses in low-income geographies exceeds the percentage of businesses in like geographies. The distribution of small loans to businesses in moderate-income geographies is near to the percentage of businesses in like geographies. The bank's market share of small loans to businesses in LMI geographies is near to and exceeds its overall market share of small loans to businesses in the MSA, respectively.

Refer to Table 6 in the state of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to businesses.

### **Small Loans to Farms**

The geographic distribution of small loans to farms in the Dallas MSA is poor. The distribution of small loans to farms in low-income geographies is significantly below the percentage of businesses in like geographies. The distribution of small loans to farms in moderate-income

geographies is well below the percentage of farms in like geographies. The bank's market share of small loans to farms in LMI geographies is significantly below and well below its overall market share of small loans to farms in the MSA, respectively.

The geographic distribution of small loans to farms in the Fort Worth MSA is excellent. Our analysis took into account the minimal number of farms located in low-income geographies. The distribution of small loans to farms in low-income geographies exceeds the percentage of farms in like geographies. The distribution of small loans to farms in moderate-income geographies exceeds the percentage of farms in like geographies. The bank's market shares of small loans to farms in LMI geographies are significantly below, and exceeds its overall market share of small loans to farms in the MSA, respectively.

The geographic distribution of small loans to farms in the San Antonio MSA is adequate. Our analysis took into account the minimal number of farms located in low-income geographies. The distribution of small loans to farms in low-income geographies is significantly below the percentage of farms in like geographies. The distribution of small loans to farms in moderate-income geographies is below the percentage of farms in like geographies. The bank's market share of small loans to farms in LMI geographies is significantly below and is near to its overall market share of small loans to farms in the MSA, respectively.

Refer to Table 7 in the state of Texas section of Appendix D for the facts and data used to evaluate the geographic distribution of the bank's origination/purchase of small loans to farms.

## **Distribution of Loans by Income Level of the Borrower**

Distributions of mortgage loans to borrowers of different income levels and small loans to businesses with different revenue sizes are both good.

### ***Home Mortgage Loans***

Home purchase loan borrower distribution in the Dallas MSA is good. The percentage of loans originated to low-income borrowers is below and to moderate-income borrowers exceeds the percentage of like families in the MSA. The market share of home purchase loans to LMI borrowers exceeds the bank's overall market share of home purchase loans within the MSA.

Home improvement loan borrower distribution in the Dallas MSA is adequate. The percentage of loans originated to low-income borrowers is well below and to moderate-income borrowers is below the percentage of like families in the MSA. The market share of home purchase loans to LMI borrowers is below and exceeds the bank's overall market share of home improvement loans within the MSA, respectively.

Home refinance loan borrower distribution in the Dallas MSA is good. The percentage of loans originated to low-income borrowers is well below and to moderate-income borrowers is below the percentage of like families in the MSA. The market share of home purchase loans to LMI borrowers exceeds the bank's overall market share of home refinance loans within the MSA, respectively.

Home purchase loan borrower distribution in the Fort Worth MSA is excellent. The percentage of loans originated to low-income borrowers is near to and to moderate-income borrowers exceeds the percentage of like families in the MSA. The market share of home purchase loans to LMI borrowers exceeds the bank's overall market share of home purchase loans within the MSA.

Home improvement loan borrower distribution in the Fort Worth MSA is poor. The percentage of loans originated to LMI borrowers is well below the percentage of like families in the MSA. The market share of home purchase loans to LMI borrowers is below and significantly below the bank's overall market share of home improvement loans within the MSA, respectively.

Home refinance loan borrower distribution in the Fort Worth MSA is good. The percentage of loans originated to low-income borrowers is well below and to moderate-income borrowers is below the percentage of like families in the MSA. The market share of home purchase loans to LMI borrowers exceeds the bank's overall market share of home refinance loans within the MSA, respectively. This excellent market share performance helps offset otherwise adequate distribution.

Home purchase loan borrower distribution in the San Antonio MSA is good. The percentage of loans originated to low-income borrowers is well below and to moderate-income borrowers exceeds the percentage of like families in the MSA. The market share of home purchase loans to LMI borrowers is near to and exceeds the bank's overall market share of home purchase loans within the MSA, respectively.

Home improvement loan borrower distribution in the San Antonio MSA is good. The percentage of loans originated to low-income borrowers is well below and to moderate-income borrowers exceeds the percentage of like families in the MSA. The market share of home purchase loans to LMI borrowers is well below and exceeds the bank's overall market share of home improvement loans within the MSA, respectively.

Home refinance loan borrower distribution in the San Antonio MSA is good. The percentage of loans originated to low-income borrowers is well below and to moderate-income borrowers exceeds the percentage of like families in the MSA. The market shares of home purchase loans to LMI borrowers are well below, and exceed the bank's overall market share of home refinance loans within the MSA, respectively.

Refer to Tables 8, 9 and 10 in the state of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's home mortgage loan originations and purchases.

### ***Small Loans to Businesses***

The borrower distribution of small loans to businesses is good in the Dallas, Fort Worth and San Antonio MSAs. The percentage of loans to small businesses is near to the percentage of small businesses in those MSAs. The bank's market share of small loans to businesses exceeds its overall business loans market share.

Refer to Table 11 in the state of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination and purchase of small loans to businesses.

### ***Small Loans to Farms***

The borrower distribution of small loans to farms is adequate in the Dallas MSA. The percentage of loans to small farms is below the percentage of small farms in the MSA. The bank's market share of small loans to farms is near to its overall farm loans market share.

The borrower distribution of small loans to farms is poor in the Fort Worth MSA. The percentage of loans to small farms is well below the percentage of small farms in the MSA. The bank's market share of small loans to farms is below its overall farm loans market share.

The borrower distribution of small loans to farms is poor in the San Antonio MSA. The percentage of loans to small farms is well below the percentage of small farms in the MSA. The bank's market share of small loans to farms is well below its overall farm loans market share.

Refer to Table 12 in the state of Texas section of Appendix D for the facts and data used to evaluate the borrower distribution of the bank's origination/purchase of small loans to businesses.

### **Community Development Lending**

Community development lending had a neutral impact on the lending performance in the Dallas MSA. During the evaluation period, the bank originated seven community development loans totaling \$26.5 million. A significant majority of the dollars was for affordable housing and helped to create over 700 units of affordable housing, which was particularly responsive to needs in the MSA. In addition, one of the loans was to revitalize and stabilize a moderate-income geography and was expected to create approximately 1,000 jobs in the community.

Community development lending had a neutral impact on the lending performance in the Fort Worth MSA. During the evaluation period, the bank originated six community development loans totaling \$17.5 million. A significant majority of the dollars was for affordable housing and helped to create 240 units of affordable housing, which was particularly responsive to needs in the MSA.

Community development lending had a positive impact on the lending performance in the San Antonio MSA. During the evaluation period, the bank originated five community development loans totaling \$25.2 million. A significant majority of the dollars was for affordable housing and helped to create almost 400 units of affordable housing, which was particularly responsive to needs in the MSA.

Refer to Table 1 Lending Volume in the state of Texas section of Appendix D for the facts and data used to evaluate the bank's level of community development lending. This table includes all CD loans, including multifamily loans that also qualify as CD loans. In addition, Table 5

includes geographic lending data on all multi-family loans, including those that also qualify as CD loans. Table 5 does not separately list CD loans, however.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, Lending Test performance in the Abilene, Amarillo, Beaumont-Port Arthur, Brownsville-Harlingen, College Station-Bryan, Houston-Sugarland-Baytown, Killeen-Temple-Fort Hood, Laredo, Longview, Lubbock, McAllen-Edinburg-Mission, Midland, Odessa, San Angelo, Sherman-Denison, Tyler, Victoria, Waco, and Wichita Falls MSAs as well as the Texas Non-MSA is adequate and is not inconsistent with the overall Low Satisfactory performance in the state. Performance in the Austin-Round Rock-San Marcos, Corpus Christi, and El Paso MSAs is good and stronger than the overall performance in the state. Stronger performance is due to a more favorable borrower distribution of home mortgage loans and relatively higher levels of community development lending.

Refer to the Tables 1 through 12 in the state of Texas section of Appendix D for the facts and data that support these conclusions.

### **INVESTMENT TEST**

#### **Conclusions for Areas Receiving Full-Scope Reviews**

Investment Test performance in Texas is rated Outstanding. Based on full-scope reviews, the bank's Investment Test performance in the Dallas-Plano-Irving MD, Fort Worth-Arlington MD, and San Antonio-New Braunfels MSA is excellent. Performance in limited-scope AAs did not negatively affect the overall Investment Test rating in the state of Texas.

BANA made 390 investments in the Dallas-Plano-Irving MD totaling \$261 million. As of December 31, 2011, prior period investments totaled \$87 million. These prior period investments continue to provide benefit and meet the needs of the AA. The largest investments totaled \$217 million and consisted of purchases of various affordable housing mortgage-backed securities that were targeted to LMI borrowers. The bank also invested \$26.2 million in three LIHTC projects, which provided 284 affordable housing units for LMI families. Other investments consisted primarily of contributions to local or regional organizations providing economic development, affordable housing, community services, or activities that revitalize or stabilize LMI geographies.

In the Fort Worth-Arlington MD, BANA made 137 investments totaling \$77.4 million. As of December 31, 2011, prior period investments totaled \$13.8 million. These prior period investments continue to provide benefit and meet the needs of the AA. The largest investments totaled \$46.1 million and consisted of purchases of various affordable housing mortgage-backed securities that were targeted to LMI borrowers. The bank also invested \$24.6 million in three LIHTC projects, which provided 456 affordable housing units for LMI families. BANA also invested \$4.7 million in two NMTC projects targeting revitalization/stabilization of a low-income neighborhood. Other investments consisted primarily of contributions to local or regional organizations providing economic development, affordable housing, community services, or activities that revitalize or stabilize LMI geographies.

In the San Antonio-New Braunfels MSA, the bank made 61 investments totaling \$14.4 million. As of December 31, 2011, prior period investments totaled \$65.2 million. These prior period investments continue to provide benefit and meet the needs of the AA. The largest investment consisted of a \$12.4 million LIHTC that created 186 affordable housing units for LMI families. Other investments consisted primarily of contributions to local or regional organizations providing economic development, affordable housing, community services, or activities that revitalize or stabilize LMI geographies.

Refer to Table 14 in the state of Texas section of Appendix D for the facts and data used to evaluate the bank's level of qualified investments.

### **Conclusions for Area Receiving Limited-Scope Reviews**

Based on limited-scope reviews, Investment Test performance in the Abilene MSA, Austin-Round Rock-San Marcos MSA, Beaumont-Port Arthur MSA, Brownsville-Harlingen MSA, Corpus Christi MSA, El Paso MSA, Houston-Sugar Land-Baytown MSA, Laredo MSA, Longview MSA, McAllen-Edinburg-Mission MSA, San Angelo MSA, Sherman-Denison MSA, Victoria MSA, Waco MSA, Wichita Falls MSA, and Texas Non-MSA is excellent and is not inconsistent with the overall Outstanding performance in Texas. Performance in the College Station-Bryan MSA and Tyler MSA is adequate and weaker than the overall performance. Performance in the Amarillo MSA, Killeen-Temple-Fort Hood MSA, Lubbock MSA, Midland MSA, and Odessa MSA is poor and weaker than the overall performance in Texas. Weaker performance is centered in a lower amount of qualified investments relative to the bank's operations in the AA.

Refer to the Table 14 in the state of Texas section of Appendix D for the facts and data that support these conclusions.

## **SERVICE TEST**

### **Conclusions for Areas Receiving Full-Scope Reviews**

The bank's performance under the Service Test in the State of Texas is rated Outstanding. Based on full-scope reviews, the bank's Service Test performance in the Dallas-Plano-Irving MD and San Antonio-New Braunfels MSA is excellent, while performance in Fort Worth-Arlington MD is good. Performance in limited-scope areas did not negatively impact the Service Test rating in the state of Texas.

### **Retail Banking Services**

Retail banking services and delivery systems in the Dallas-Plano-Irving MD are readily accessible to geographies and individuals of different income levels after consideration of supplementary access provided by branches located in close proximity to LMI areas and alternative delivery systems. The percentages of the bank's branches in LMI geographies are below, and near to the percentages of the population residing in these areas. However, 10 branches located in middle- and upper-income geographies are in close proximity to LMI geographies. The adjacent 10 branches, along with the bank's use of telephone, online, and

mobile banking delivery systems, improved access by LMI individuals to retail banking services. Specifically, compared to 35 percent of the population residing in LMI geographies, 19 percent of the customers using telephone, online, and mobile banking delivery systems reside in LMI geographies. Branch openings have improved the accessibility of the bank's delivery systems in LMI geographies. The bank closed 18 branches in the AA and had a net opening of one new branch in a low-income geography. Hours and services are tailored to the convenience and needs of the people living in the MD, including Saturday and weeknight later hours.

Retail banking services and delivery systems in the Fort Worth-Arlington MD are accessible to essentially all geographies and individuals of different income levels after consideration of supplementary access provided by branches located in a close proximity and alternative delivery systems. The bank has no branches in low-income geographies. The percentage of branches in moderate-income geographies exceeds the demographic comparison. The bank has one branch located in a middle-income geography that is in close proximity to a low-income geography and one branch in an upper-income geography that is in close proximity to a moderate-income geography. The branches adjacent to the low- and moderate-income geographies, along with the bank's use of telephone, online, and mobile banking delivery systems, improved access by LMI individuals to retail banking services. Specifically, compared to 30 percent of the population residing in LMI geographies, 15 percent of the customers using telephone, online, and mobile banking delivery systems reside in LMI geographies. Branch openings and closings have generally not adversely affected the accessibility of the bank's delivery systems in LMI geographies. The bank closed a net of one branch in a moderate-income geography. Despite the closing, the percentage of branches located in these areas exceeded the demographic comparison. Hours and services do not vary in a way that inconvenience individuals residing in the assessment area.

Retail banking services and delivery systems in the San Antonio-New Braunfels MSA are readily accessible to geographies and individuals of different income levels after consideration of supplementary access provided by branches located in a close proximity and alternative delivery systems. The percentage of the bank's branches in low-income geographies exceeds the percentage of the population residing in low-income geographies, whereas the percentage of the bank's branches in moderate-income geographies is near to the percentage of the population residing in these areas. However, 10 branches located in middle- and upper-income geographies are in close proximity to LMI geographies. The adjacent 10 branches, along with the bank's use of telephone, online, and mobile banking delivery systems, improved access by LMI individuals to retail banking services. Specifically, compared to 38 percent of the population residing in LMI geographies, 24 percent of the customers using telephone, online, and mobile banking delivery systems reside in LMI geographies. The bank closed a net of one branch in a moderate-income geography; however, accessibility of the bank's delivery systems in LMI geographies was not adversely impacted by the closure. Hours and services do not vary in a way that inconvenience individuals living in the MD.

Refer to Table 15 in the state of Texas section of Appendix D for the facts and data used to evaluate the distribution of the bank's branch delivery system and branch openings and closings.

### **Community Development Services**

The bank provided an excellent level of community development services in the Dallas-Plano-Irving MSA, two of which were in leadership positions. Bank employees worked with 39 local community development organizations to provide 92 instances of community development services targeted to LMI individuals. Employee involvement included providing financial expertise to the organizations and providing workshops to persons of all ages for financial literacy and technical assistance geared toward small businesses. Additionally, bank involvement for the needs of the homeless and Hispanic community was provided through various community development services.

The bank provided an excellent level of community development services in the Fort Worth-Arlington MSA, three of which were in leadership roles. Bank employees worked with 28 local community development organizations to provide 65 services targeted to LMI individuals. Employee involvement included providing financial expertise to the organizations and providing workshops to persons of all ages for financial literacy, and assisting with various affordable housing issues including for the elderly. Four LMI individuals participated in the bank's homebuyer education workshops.

The bank provided an adequate level of community development services in the San Antonio-New Braunfels MSA, one of which was in a leadership role. Bank employees worked with ten local community development organizations to provide 62 services targeted to LMI individuals; however, the bulk of these services were not considered responsive to identified needs. Employee involvement primarily related to financial literacy for youth, but also included providing financial expertise to an organization that provides micro lending to small businesses. One moderate-income individual participated in the bank's homebuyer education workshop.

### **Conclusions for Areas Receiving Limited-Scope Reviews**

Based on limited-scope reviews, Service Test performance in the Amarillo MSA, Brownsville-Harlingen MSA, Midland MSA, Odessa MSA, Sherman-Denison MSA, Tyler MSA, Wichita Falls MSA, and in the Texas non-MSA is excellent and is not inconsistent with the overall Outstanding performance in Texas. Performance in the Abilene MSA, Beaumont-Port Arthur MSA, College Station-Bryan MSA, Corpus Christi MSA, El Paso MSA, Houston-Sugar Land-Baytown MSA, Laredo MSA, Longview MSA, Lubbock MSA, McAllen-Edinburg-Mission MSA, San Angelo MSA, Victoria MSA, and Waco MSA is good and weaker than the overall Outstanding performance in the state. Performance in the Austin-Round Rock-San Marcos MSA and Killeen-Temple-Fort Hood MSA is adequate and weaker than the overall Outstanding performance in the state. Weaker performance is due to less accessible retail delivery systems for individuals residing in LMI geographies.

Refer to Table 15 in the state of Texas section of Appendix D for the facts and data that support these conclusions.

Table 1. Lending Volume

LENDING VOLUME		EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011											
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
<b>Full Review:</b>													
Dallas-Plano-Irving, TX MD	22.42	50,403	8,728,712	9,498	459,951	61	666	7	26,550	59,969	9,215,879	63.70	
Ft Worth-Arlington, TX MD	10.24	23,947	3,603,367	3,413	139,778	30	448	6	17,547	27,396	3,761,140	4.24	
San Antonio-New Braunfels, TX MSA	10.29	24,848	3,964,870	2,615	128,540	51	2,123	5	25,249	27,519	4,120,782	4.22	
<b>Limited Review:</b>													
Abilene, TX MSA	0.47	1,097	136,753	160	2,856	10	87	0	0	1,267	139,696	0.20	
Amarillo, TX MSA	1.28	3,125	417,435	285	16,623	17	1,205	0	0	3,427	435,263	0.40	
Austin-Round Rock-San Marcos, TX MSA	10.77	24,831	4,491,214	3,935	184,083	35	739	2	27,600	28,803	4,703,636	5.28	
Beaumont-Port Arthur, TX MSA	0.84	1,897	241,463	341	8,454	3	22	1	1,315	2,242	251,254	0.86	
Brownsville-Harlingen, TX MSA	0.73	1,781	200,800	158	6,080	7	646	1	42	1,947	207,568	0.14	
College Station-Bryan, TX MSA	0.78	1,848	284,837	215	8,339	12	103	0	0	2,075	293,279	0.23	
Corpus Christi, TX MSA	1.48	3,443	480,600	479	20,700	30	4,096	2	7,706	3,954	513,102	0.61	
El Paso, TX MSA	2.30	5,517	710,737	635	19,749	1	3	10	59,485	6,163	789,974	1.04	
Houston-Sugar Land-Baytown, TX MSA	27.76	63,897	10,235,332	10,286	458,835	58	891	17	121,065	74,258	10,816,123	14.67	
Killeen-Temple-Fort Hood, TX MSA	1.57	3,856	539,578	345	7,710	9	150	0	0	4,210	547,438	0.24	

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from April 01, 2009 to December 31, 2011.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Lending Volume

LENDING VOLUME		GEOGRAPHY: TEXAS										EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011	
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***	
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)		
Limited Review:													
Laredo, TX MSA	0.83	2,045	285,263	159	4,719	4	16	1	11,500	2,209	301,498	0.10	
Longview, TX MSA	0.45	973	128,494	226	3,474	15	825	0	0	1,214	132,793	0.06	
Lubbock, TX MSA	1.22	3,007	394,719	242	6,959	6	57	0	0	3,255	401,735	0.35	
McAllen-Edinburg-Mission, TX MSA	1.42	3,279	396,432	504	11,507	11	83	1	44	3,795	408,066	0.34	
Midland, TX MSA	0.39	834	127,055	217	16,253	3	510	0	0	1,054	143,818	1.02	
Odessa, TX MSA	0.32	710	88,615	147	2,575	1	20	0	0	858	91,210	0.12	
San Angelo, TX MSA	0.28	595	73,941	157	4,690	5	223	0	0	757	78,854	0.11	
Sherman-Denison, TX MSA	0.44	1,004	120,489	166	4,222	13	90	0	0	1,183	124,801	0.09	
Tyler, TX MSA	0.81	1,806	273,159	350	10,828	6	43	0	0	2,162	284,030	0.44	
Victoria, TX MSA	0.30	678	89,790	108	1,333	7	280	0	0	793	91,403	0.08	
Waco, TX MSA	0.80	1,854	246,270	279	10,753	5	322	1	2,300	2,139	259,645	0.30	
Wichita Falls, TX MSA	0.46	1,069	124,661	147	2,789	5	44	0	0	1,221	127,494	0.15	
Texas Non-MSA	1.36	2,866	370,472	705	17,042	69	3,476	0	0	3,640	390,990	1.03	

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.  
 \*\* The evaluation period for Community Development Loans is from April 01, 2009 to December 31, 2011.  
 \*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.  
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Table 1. Other Products

LENDING VOLUME		EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011												
MA/Assessment Area:	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Full Review:</b>														
Dallas-Plano-Irving, TX MID	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	63.70
Ft Worth-Arlington, TX MID	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4.24
San Antonio-New Braunfels, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	4.22
<b>Limited Review:</b>														
Abilene, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.20
Amarillo, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.40
Austin-Round Rock-San Marcos, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	5.28
Beaumont-Port Arthur, TX MSA	20.00	1	15,096	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.86
Brownsville-Harlingen, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.14
College Station-Bryan, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.23
Corpus Christi, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.61
El Paso, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1.04
Houston-Sugar Land-Baytown, TX MSA	80.00	4	50,078	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	14.67
Killeen-Temple-Fort Hood, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.24

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from April 1, 2009 to December 31, 2011.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 1. Other Products

LENDING VOLUME MA/Assessment Area:	GEOGRAPHY: TEXAS EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011													
	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans**		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	
<b>Limited Review:</b>														
Laredo, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.10
Longview, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.06
Lubbock, TX MSA														0.35
McAllen-Edinburg-Mission, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.34
Midland, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1.02
Odessa, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.12
San Angelo, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.11
Sherman-Denison, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.09
Tyler, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.44
Victoria, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.08
Waco, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.30
Wichita Falls, TX MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	0.15
Texas Non-MSA	0.00	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1.03

\* Loan Data as of December 31, 2011. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Optional Product Line(s) is from April 1, 2009 to December 31, 2011.

\*\*\* Deposit Data as of June 30, 2011. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Table 2. Geographic Distribution of Home Purchase Loans

GEOGRAPHIC DISTRIBUTION: HOME PURCHASE		GEOGRAPHY: TEXAS										EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	Overa ll	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Dallas-Plano-Irving, TX MD	24,574	18.83	2.57	0.97	20.21	10.06	36.31	39.88	40.91	49.08	13.97	13.62	15.10	15.37	12.85	
Ft Worth-Arlington, TX MD	12,878	9.87	3.14	0.75	18.57	8.66	43.89	46.64	34.39	43.95	14.52	17.17	14.20	15.46	13.67	
San Antonio-New Braunfels, TX MSA	16,046	12.30	1.49	0.27	28.43	11.66	37.16	30.57	32.91	57.50	17.36	16.33	19.28	17.49	16.97	
<b>Limited Review:</b>																
Abilene, TX MSA	683	0.52	0.00	0.00	17.54	8.35	54.63	44.22	27.83	47.44	10.89	0.00	12.89	11.62	9.98	
Amarillo, TX MSA	2,010	1.54	1.19	0.15	22.92	10.30	44.82	53.08	31.06	36.47	22.12	11.11	23.30	22.44	21.45	
Austin-Round Rock-San Marcos, TX MSA	12,947	9.92	2.79	1.55	18.90	13.99	42.63	57.35	35.68	27.11	13.87	10.80	16.40	16.36	10.01	
Beaumont-Port Arthur, TX MSA	1,205	0.92	3.21	0.83	15.67	5.48	54.46	58.34	26.66	35.35	13.96	25.81	19.14	14.46	12.23	
Brownsville-Harlingen, TX MSA	1,167	0.89	0.87	4.37	21.06	5.48	43.90	43.19	34.18	46.96	15.77	20.00	11.00	19.18	13.81	
College Station-Bryan, TX MSA	1,053	0.81	0.06	0.00	21.07	15.00	49.53	35.04	29.34	49.95	12.75	0.00	14.55	13.94	11.47	
Corpus Christi, TX MSA	1,887	1.45	3.53	1.06	23.89	9.91	43.52	37.20	29.06	51.83	13.67	15.38	15.83	13.27	13.54	
El Paso, TX MSA	3,640	2.79	0.92	0.11	26.70	12.99	34.90	49.51	37.48	37.39	15.10	0.00	14.89	15.35	14.91	
Houston-Sugar Land-Baytown, TX MSA	37,379	28.64	2.87	1.26	23.19	10.82	32.97	35.51	40.97	52.40	16.95	15.05	18.12	19.60	15.40	
Killeen-Temple-Fort Hood, TX MSA	2,663	2.04	0.17	0.08	8.68	1.92	61.34	51.56	29.81	46.45	13.48	0.00	10.05	12.09	15.62	

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 2. Geographic Distribution of Home Purchase Loans

GEOGRAPHIC DISTRIBUTION: HOME PURCHASE		GEOGRAPHY: TEXAS												EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies			Moderate-Income Geographies			Middle-Income Geographies			Upper-Income Geographies			Market Share (%) by Geography*				
	#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	Overa ll	Low	Mod	Mid	Upp	
Limited Review:																			
Laredo, TX MSA	1,514	1.16	0.12	0.00	34.45	13.47	33.06	24.44	32.37	62.09	25.35	0.00	21.45	29.46	24.65				
Longview, TX MSA	533	0.41	0.00	0.00	13.63	9.01	68.94	61.35	17.43	29.64	8.00	0.00	6.41	7.29	10.44				
Lubbock, TX MSA	1,885	1.44	0.26	0.11	23.78	7.00	43.81	41.64	32.15	51.25	14.14	0.00	10.56	14.14	14.83				
McAllen-Edinburg-Mission, TX MSA	1,958	1.50	0.00	0.00	27.56	13.07	48.45	41.78	23.99	45.15	16.11	0.00	15.72	15.94	16.35				
Midland, TX MSA	419	0.32	4.50	2.86	18.42	16.95	44.68	45.58	32.40	34.61	6.57	12.50	15.14	6.98	4.29				
Odessa, TX MSA	445	0.34	2.25	1.57	15.94	5.62	43.46	28.54	38.35	64.27	11.91	12.00	11.63	13.63	11.33				
San Angelo, TX MSA	368	0.28	0.93	0.00	15.85	5.16	54.08	54.62	29.15	40.22	9.20	0.00	9.40	9.86	8.36				
Sherman-Denison, TX MSA	546	0.42	0.00	0.00	13.89	10.26	75.65	77.84	10.46	11.90	13.56	0.00	12.67	13.57	14.29				
Tyler, TX MSA	890	0.68	2.09	0.34	17.19	6.29	55.58	57.98	25.14	35.39	11.96	6.67	9.60	12.30	12.20				
Victoria, TX MSA	416	0.32	1.51	0.00	19.84	12.26	54.88	45.91	23.77	41.83	13.02	0.00	12.08	11.56	15.52				
Waco, TX MSA	1,042	0.80	4.80	1.06	18.68	9.31	36.55	25.14	39.97	64.49	12.92	2.06	11.39	10.48	14.71				
Wichita Falls, TX MSA	807	0.62	1.52	0.00	16.68	7.43	51.23	54.52	30.57	38.04	13.18	0.00	10.00	12.89	14.38				
Texas Non-MSA	1,550	1.19	0.00	0.00	6.79	2.52	69.17	63.23	24.05	34.26	13.74	0.00	11.54	13.38	14.73				

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home purchase loans originated and purchased in the MAA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 3. Geographic Distribution of Home Improvement Loans

GEOGRAPHIC DISTRIBUTION: HOME IMPROVEMENT		GEOGRAPHY: TEXAS				EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011								
MA/Assessment Area:	Total Home Improvement Loans #	Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
		% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>														
Dallas-Plano-Irving, TX MD	372	21.35	2.57	1.61	20.21	6.99	36.31	28.76	40.91	62.63	10.00	5.00	4.89	6.85
Ft Worth-Arlington, TX MD	193	11.08	3.14	0.52	18.57	8.29	43.89	27.98	34.39	63.21	0.00	2.68	3.43	6.39
San Antonio-New Braunfels, TX MSA	138	7.92	1.49	0.72	28.43	20.29	37.16	31.88	32.91	47.10	0.00	2.31	1.39	2.31
<b>Limited Review:</b>														
Abilene, TX MSA	16	0.92	0.00	0.00	17.54	0.00	54.63	43.75	27.83	56.25	0.00	0.00	2.86	3.48
Amarillo, TX MSA	19	1.09	1.19	0.00	22.92	10.53	44.82	47.37	31.06	42.11	0.00	2.04	4.48	4.65
Austin-Round Rock-San Marcos, TX MSA	169	9.70	2.79	2.37	18.90	15.38	42.63	36.09	35.68	46.15	13.64	2.10	3.67	3.98
Beaumont-Port Arthur, TX MSA	21	1.21	3.21	0.00	15.67	14.29	54.46	57.14	26.66	28.57	0.00	3.23	2.37	0.00
Brownsville-Harlingen, TX MSA	13	0.75	0.87	0.00	21.06	0.00	43.90	23.08	34.18	76.92	0.00	0.00	2.25	3.70
College Station-Bryan, TX MSA	7	0.40	0.06	0.00	21.07	0.00	49.53	42.86	29.34	57.14	0.00	0.00	1.14	4.48
Corpus Christi, TX MSA	58	3.33	3.53	0.00	23.89	13.79	43.52	31.03	29.06	55.17	0.00	5.26	2.78	9.26
El Paso, TX MSA	57	3.27	0.92	0.00	26.70	17.54	34.90	35.09	37.48	47.37	0.00	1.65	2.70	1.93
Houston-Sugar Land-Baytown, TX MSA	427	24.51	2.87	1.41	23.19	12.65	32.97	26.46	40.97	59.48	6.35	3.34	4.18	4.59
Killeen-Temple-Fort Hood, TX MSA	23	1.32	0.17	0.00	8.68	4.35	61.34	60.87	29.81	34.78	0.00	0.00	3.52	3.36

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)  
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Table 3. Geographic Distribution of Home Improvement Loans

MA/Assessment Area:		Total Home Improvement Loans		GEOGRAPHY: TEXAS												EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011				
		#	% of Total**	Low-income Geographies		Moderate-income Geographies		Middle-income Geographies		Upper-income Geographies		Market Share (%) by Geography*								
				% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp		
Limited Review:																				
Laredo, TX MSA	7	0.40	0.12	0.00	34.45	0.00	42.86	33.06	42.86	32.37	57.14	3.19	0.00	0.00	0.00	4.35	3.85			
Longview, TX MSA	9	0.52	0.00	0.00	13.63	11.11	55.56	68.94	55.56	17.43	33.33	0.40	0.00	0.00	0.52	0.00				
Lubbock, TX MSA	17	0.98	0.26	0.00	23.78	5.88	47.06	43.81	47.06	32.15	47.06	3.25	0.00	0.00	2.65	5.26				
McAllen-Edinburg-Mission, TX MSA	44	2.53	0.00	0.00	27.56	9.09	50.00	48.45	50.00	23.99	40.91	6.74	0.00	0.00	8.70	5.83				
Midland, TX MSA	18	1.03	4.50	5.56	18.42	16.67	44.44	44.68	44.44	32.40	33.33	3.91	0.00	5.13	3.90	3.51				
Odessa, TX MSA	13	0.75	2.25	7.69	15.94	7.69	23.08	43.46	23.08	38.35	61.54	2.41	50.00	0.00	0.00	2.56				
San Angelo, TX MSA	11	0.63	0.93	9.09	15.85	9.09	36.36	54.08	36.36	29.15	45.45	2.66	33.33	0.00	2.06	3.08				
Sherman-Denison, TX MSA	9	0.52	0.00	0.00	13.89	22.22	77.78	75.65	77.78	10.46	0.00	2.38	0.00	0.00	3.08	0.00				
Tyler, TX MSA	23	1.32	2.09	0.00	17.19	4.35	60.87	55.58	60.87	25.14	34.78	3.27	0.00	0.00	3.82	4.30				
Victoria, TX MSA	5	0.29	1.51	0.00	19.84	0.00	20.00	54.88	20.00	23.77	80.00	1.98	0.00	0.00	2.04	2.78				
Waco, TX MSA	21	1.21	4.80	14.29	18.68	0.00	19.05	36.55	19.05	39.97	66.67	4.89	8.33	0.00	3.80	6.82				
Wichita Falls, TX MSA	5	0.29	1.52	0.00	16.68	0.00	60.00	51.23	60.00	30.57	40.00	0.74	0.00	0.00	1.69	0.00				
Texas Non-MSA	47	2.70	0.00	0.00	6.79	4.26	59.57	69.17	59.57	24.05	36.17	3.23	0.00	0.00	2.85	5.00				

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

MA/Assessment Area:		Total Home Mortgage Refinance Loans		Low-Income Geographies			Moderate-Income Geographies			Middle-Income Geographies			Upper-Income Geographies			Market Share (%) by Geography*				
		#	% of Total**	% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Full Review:																				
Dallas-Plano-Irving, TX MD	25,454	25.75	2.57	0.66	20.21	5.68	36.31	28.82	40.91	64.84	13.76	17.66	18.43	15.15	12.94					
Ft Worth-Arlington, TX MD	10,874	11.00	3.14	0.33	18.57	5.52	43.89	35.87	34.39	58.28	14.01	13.95	17.10	13.83						
San Antonio-New Braunfels, TX MSA	8,664	8.77	1.49	0.09	28.43	7.57	37.16	27.89	32.91	64.45	11.52	7.69	13.15	12.28						
Limited Review:																				
Abilene, TX MSA	398	0.40	0.00	0.00	17.54	2.51	54.63	36.68	27.83	60.80	9.21	0.00	5.13	9.42						
Amarillo, TX MSA	1,096	1.11	1.19	0.00	22.92	5.47	44.82	48.18	31.06	46.35	13.83	0.00	7.60	14.46						
Austin-Round Rock San Marcos, TX MSA	11,715	11.85	2.79	1.55	18.90	9.57	42.63	42.05	35.68	46.84	11.96	14.75	13.25	10.74						
Beaumont-Port Arthur, TX MSA	670	0.68	3.21	0.15	15.67	3.88	54.46	49.25	26.66	46.72	9.79	8.33	9.42	9.89						
Brownsville-Hardingen, TX MSA	601	0.61	0.87	3.83	21.06	4.99	43.90	36.11	34.18	55.07	15.22	20.41	9.41	17.13						
College Station-Bryan, TX MSA	788	0.80	0.06	0.00	21.07	10.53	49.53	30.08	29.34	59.39	11.79	0.00	19.70	11.15						
Corpus Christi, TX MSA	1,498	1.52	3.53	0.73	23.89	6.34	43.52	36.92	29.06	56.01	14.50	13.73	12.15	13.37						
El Paso, TX MSA	1,819	1.84	0.92	0.22	26.70	9.68	34.90	33.15	37.48	56.95	11.39	0.00	12.05	11.96						
Houston-Sugar Land-Baytown, TX MSA	25,976	26.28	2.87	0.92	23.19	8.21	32.97	25.20	40.97	65.67	13.73	12.83	16.38	15.45						
Killeen-Temple-Fort Hood, TX MSA	1,170	1.18	0.17	0.00	8.68	3.42	61.34	51.11	29.81	45.47	8.31	0.00	11.03	8.08						

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner-Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 4. Geographic Distribution of Home Mortgage Refinance Loans

MA/Assessment Area:		Total Home Mortgage Refinance Loans		GEOGRAPHY: TEXAS															
		#	% of Total**	Low-Income Geographies			Moderate-Income Geographies			Middle-Income Geographies			Upper-Income Geographies			Market Share (%) by Geography*			
				% Owner Occ Units***	% BANK Loans****	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Limited Review:																			
Laredo, TX MSA		524	0.53	0.12	0.00	34.45	4.20	33.06	18.51	32.37	77.29	22.35	0.00	16.13	23.60	22.59			
Longview, TX MSA		431	0.44	0.00	0.00	13.63	5.57	68.94	64.04	17.43	30.39	9.75	0.00	8.40	9.95	9.64			
Lubbock, TX MSA		1,105	1.12	0.26	0.00	23.78	4.43	43.81	35.29	32.15	60.27	13.43	0.00	9.40	14.86	13.10			
McAllen-Edinburg-Mission, TX MSA		1,277	1.29	0.00	0.00	27.56	13.55	48.45	40.41	23.99	46.05	20.18	0.00	16.93	20.93	20.41			
Midland, TX MSA		397	0.40	4.50	0.76	18.42	7.30	44.68	43.58	32.40	48.36	8.66	10.00	17.17	9.23	7.27			
Odessa, TX MSA		252	0.25	2.25	0.00	15.94	3.97	43.46	29.76	38.35	66.27	11.74	0.00	11.36	11.68	11.86			
San Angelo, TX MSA		216	0.22	0.93	0.00	15.85	2.78	54.08	53.70	29.15	43.52	5.72	0.00	3.57	5.74	5.89			
Sherman-Denison, TX MSA		449	0.45	0.00	0.00	13.89	4.68	75.65	81.07	10.46	14.25	14.78	0.00	6.94	15.60	13.11			
Tyler, TX MSA		893	0.90	2.09	0.11	17.19	7.50	55.58	52.97	25.14	39.42	13.59	7.69	16.77	12.75	14.42			
Victoria, TX MSA		257	0.26	1.51	0.39	19.84	7.78	54.88	49.03	23.77	42.80	10.61	50.00	10.26	11.39	9.56			
Waco, TX MSA		791	0.80	4.80	0.76	18.68	3.41	36.55	25.28	39.97	70.54	13.21	9.30	6.70	11.25	14.91			
Wichita Falls, TX MSA		257	0.26	1.52	0.00	16.68	5.45	51.23	49.42	30.57	45.14	6.78	0.00	6.73	6.81	6.77			
Texas Non-MSA		1,269	1.28	0.00	0.00	6.79	2.21	69.17	61.47	24.05	36.33	13.83	0.00	19.70	12.85	15.44			

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

\*\*\*\* Data shown includes only One to Four-family and manufactured housing. (Property type of 1 or 2)

Table 5. Geographic Distribution of Multifamily Loans

GEOGRAPHIC DISTRIBUTION: MULTIFAMILY		GEOGRAPHY: TEXAS				EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011									
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*				
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units****	% BANK Loans	% MF Units****	% BANK Loans	% MF Units****	% BANK Loans	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Dallas-Plano-Irving, TX MD	0	0.00	14.32	0.00	30.42	0.00	33.46	0.00	21.80	0.00	0.00	0.00	0.00	0.00	0.00
Ft Worth-Arlington, TX MD	2	50.00	7.03	0.00	28.60	100.00	45.61	0.00	18.76	0.00	1.56	0.00	8.33	0.00	0.00
San Antonio-New Braunfels, TX MSA	0	0.00	1.81	0.00	35.34	0.00	40.82	0.00	22.03	0.00	0.00	0.00	0.00	0.00	0.00
<b>Limited Review:</b>															
Abilene, TX MSA	0	0.00	0.00	0.00	11.89	0.00	74.70	0.00	13.41	0.00	0.00	0.00	0.00	0.00	0.00
Amarillo, TX MSA	0	0.00	2.20	0.00	28.94	0.00	38.55	0.00	30.31	0.00	0.00	0.00	0.00	0.00	0.00
Austin-Round Rock-San Marcos, TX MSA	0	0.00	18.86	0.00	30.99	0.00	35.24	0.00	14.91	0.00	0.00	0.00	0.00	0.00	0.00
Beaumont-Port Arthur, TX MSA	1	25.00	6.11	0.00	27.01	0.00	35.64	100.00	31.24	0.00	0.00	0.00	0.00	0.00	0.00
Brownsville-Harlingen, TX MSA	0	0.00	2.93	0.00	15.31	0.00	19.84	0.00	61.92	0.00	0.00	0.00	0.00	0.00	0.00
College Station-Bryan, TX MSA	0	0.00	7.28	0.00	31.15	0.00	52.47	0.00	9.11	0.00	0.00	0.00	0.00	0.00	0.00
Corpus Christi, TX MSA	0	0.00	7.25	0.00	14.32	0.00	46.80	0.00	31.63	0.00	0.00	0.00	0.00	0.00	0.00
El Paso, TX MSA	1	25.00	11.43	0.00	31.34	0.00	26.23	100.00	31.00	0.00	0.00	0.00	0.00	0.00	0.00
Houston-Sugar Land-Baytown, TX MSA	0	0.00	9.84	0.00	35.87	0.00	30.30	0.00	23.99	0.00	0.00	0.00	0.00	0.00	0.00
Killeen-Temple-Fort Hood, TX MSA	0	0.00	3.31	0.00	34.62	0.00	47.21	0.00	14.87	0.00	0.00	0.00	0.00	0.00	0.00

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Multi-family loans originated and purchased in the MA/AA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 5. Geographic Distribution of Multifamily Loans

GEOGRAPHIC DISTRIBUTION: MULTIFAMILY		GEOGRAPHY: TEXAS										EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011				
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of MF Units***	% BANK Loans****	% MF Units****	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
Limited Review:																
Laredo, TX MSA	0	0.00	2.50	0.00	18.94	0.00	41.52	0.00	37.04	0.00	0.00	0.00	0.00	0.00	0.00	
Longview, TX MSA	0	0.00	0.00	0.00	17.94	0.00	50.91	0.00	31.14	0.00	0.00	0.00	0.00	0.00	0.00	
Lubbock, TX MSA	0	0.00	9.24	0.00	29.60	0.00	43.18	0.00	17.98	0.00	0.00	0.00	0.00	0.00	0.00	
McAllen-Edinburg-Mission, TX MSA	0	0.00	0.00	0.00	11.56	0.00	31.77	0.00	56.67	0.00	0.00	0.00	0.00	0.00	0.00	
Midland, TX MSA	0	0.00	2.26	0.00	4.69	0.00	42.21	0.00	50.85	0.00	0.00	0.00	0.00	0.00	0.00	
Odessa, TX MSA	0	0.00	0.72	0.00	15.47	0.00	29.62	0.00	54.19	0.00	0.00	0.00	0.00	0.00	0.00	
San Angelo, TX MSA	0	0.00	1.95	0.00	22.15	0.00	37.89	0.00	38.01	0.00	0.00	0.00	0.00	0.00	0.00	
Sherman-Denison, TX MSA	0	0.00	0.00	0.00	14.38	0.00	83.30	0.00	2.32	0.00	0.00	0.00	0.00	0.00	0.00	
Tyler, TX MSA	0	0.00	0.53	0.00	28.79	0.00	34.75	0.00	35.93	0.00	0.00	0.00	0.00	0.00	0.00	
Victoria, TX MSA	0	0.00	1.83	0.00	33.30	0.00	43.24	0.00	21.62	0.00	0.00	0.00	0.00	0.00	0.00	
Waco, TX MSA	0	0.00	26.63	0.00	38.25	0.00	18.33	0.00	16.78	0.00	0.00	0.00	0.00	0.00	0.00	
Wichita Falls, TX MSA	0	0.00	1.83	0.00	23.79	0.00	25.70	0.00	48.67	0.00	0.00	0.00	0.00	0.00	0.00	
Texas Non-MSA	0	0.00	0.00	0.00	11.73	0.00	68.14	0.00	20.13	0.00	0.00	0.00	0.00	0.00	0.00	

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Multi-family loans originated and purchased in the MAAA as a percentage of all multi-family loans originated and purchased in the rated area.

\*\*\* Percentage of Multi Family Units is the number of multi family units in a particular geography divided by the number of multifamily housing units in the area based on 2000 Census information.

\*\*\*\* Multifamily loan distribution includes Home Purchases, Home Improvement and Refinances.

Table 6. Geographic Distribution of Small Loans to Businesses

MA/Assessment Area:		Total Small Business Loans				Low-Income Geographies				Moderate-Income Geographies				Middle-Income Geographies				Upper-Income Geographies				Market Share (%) by Geography*				
		#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	Overall	Low	Mod	Mid	Upp			
<b>Full Review:</b>																										
Dallas-Plano-Irving, TX MD	9,498	26.55	3.24	2.58	18.97	16.48	32.71	29.62	45.07	51.33	5.15	4.87	4.72	5.01	5.41											
Ft Worth-Arlington, TX MD	3,413	9.54	2.49	1.82	18.62	15.88	40.58	35.95	38.31	46.35	4.00	4.09	3.05	3.84	4.60											
San Antonio-New Braunfels, TX MSA	2,615	7.31	1.30	1.57	22.41	19.39	34.76	30.10	41.53	48.95	3.78	3.31	3.88	3.33	4.06											
<b>Limited Review:</b>																										
Abilene, TX MSA	160	0.45	0.00	0.00	20.37	17.50	51.21	60.62	28.42	21.88	3.56	0.00	4.20	4.45	1.45											
Amarillo, TX MSA	285	0.80	8.49	10.18	21.04	21.05	40.55	38.95	29.92	29.82	1.77	2.56	2.15	1.93	1.36											
Austin-Round Rock-San Marcos, TX MSA	3,935	11.00	3.45	2.90	16.11	12.12	38.77	39.29	41.68	45.69	4.70	5.35	3.76	5.15	4.61											
Beaumont-Port Arthur, TX MSA	341	0.95	2.57	0.88	17.25	13.78	49.33	54.25	30.85	31.09	2.96	2.13	2.37	3.35	2.69											
Brownsville-Harlingen, TX MSA	158	0.44	2.78	0.63	21.94	13.29	34.70	37.97	40.58	48.10	1.82	0.00	1.18	2.55	1.74											
College Station-Bryan, TX MSA	215	0.60	0.98	0.00	21.37	17.21	42.53	43.72	35.13	39.07	3.04	0.00	2.01	4.77	2.35											
Corpus Christi, TX MSA	479	1.34	9.00	8.56	20.22	18.58	40.41	40.71	30.37	32.15	3.57	2.61	2.68	4.23	3.67											
El Paso, TX MSA	635	1.78	6.19	5.51	26.37	26.77	28.59	25.98	38.85	41.73	2.90	3.53	2.55	2.90	3.01											
Houston-Sugar Land-Baytown, TX MSA	10,286	28.75	3.66	2.69	20.66	18.58	28.26	26.84	47.42	51.89	3.97	3.12	3.64	4.21	4.03											
Killeen-Temple-Fort Hood, TX MSA	345	0.96	2.66	2.61	14.20	12.75	53.61	53.33	29.54	31.30	4.99	3.08	5.00	5.68	4.11											

\* Based on 2010 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2011).

Table 6. Geographic Distribution of Small Loans to Businesses

MA/Assessment Area:		GEOGRAPHY: TEXAS																
		Total Small Business Loans			Low-Income Geographies			Moderate-Income Geographies			Middle-Income Geographies			Upper-Income Geographies				
#	% of Total**	% of Businesses ***	% BANK Loans	% of Businesses ***	% of Businesses ***	% BANK Loans	% of Businesses ***	% of Businesses ***	% BANK Loans	% of Businesses ***	% of Businesses ***	% BANK Loans	% of Businesses ***	Overall	Low	Mod	Mid	Upp
Limited Review:																		
Laredo, TX MSA	159	0.44	4.33	6.29	18.94	11.95	21.74	16.98	54.99	64.78	2.08	2.63	2.65	2.08	2.63	2.65	1.60	2.04
Longview, TX MSA	226	0.63	0.00	0.00	20.29	15.49	60.42	63.27	19.29	21.24	3.58	0.00	3.36	3.58	0.00	3.36	4.03	2.65
Lubbock, TX MSA	242	0.68	0.46	0.00	18.87	15.70	41.50	33.06	39.17	51.24	2.05	0.00	1.52	2.05	0.00	1.52	2.43	1.98
McAllen-Edinburg-Mission, TX MSA	504	1.41	0.00	0.00	19.10	17.06	40.58	34.92	40.32	48.02	3.19	0.00	3.04	3.19	0.00	3.04	2.96	3.40
Midland, TX MSA	217	0.61	4.80	3.69	25.92	32.26	35.52	34.56	33.77	29.49	3.93	2.94	6.04	3.93	2.94	6.04	3.40	3.19
Odessa, TX MSA	147	0.41	1.24	0.00	16.49	23.13	39.30	38.78	42.97	38.10	4.96	0.00	8.65	4.96	0.00	8.65	5.00	3.71
San Angelo, TX MSA	157	0.44	1.56	1.91	12.58	8.28	53.52	52.23	32.35	37.58	7.03	10.00	5.93	7.03	10.00	5.93	7.73	6.39
Sherman-Denison, TX MSA	166	0.46	0.00	0.00	16.31	21.69	74.75	67.47	8.93	10.84	6.01	0.00	7.61	6.01	0.00	7.61	5.42	7.95
Tyler, TX MSA	350	0.98	2.94	2.57	20.06	20.57	46.07	43.43	30.94	33.43	4.53	3.48	5.46	4.53	3.48	5.46	4.54	4.11
Victoria, TX MSA	108	0.30	0.89	0.93	25.42	29.63	48.76	43.52	24.94	25.93	1.83	7.69	2.36	1.83	7.69	2.36	1.63	1.50
Waco, TX MSA	279	0.78	3.94	2.15	24.81	21.15	28.32	26.88	42.93	49.82	5.28	3.70	4.54	5.28	3.70	4.54	5.22	5.90
Wichita Falls, TX MSA	147	0.41	0.74	0.00	25.57	23.13	38.22	43.54	35.47	33.33	4.81	0.00	4.78	4.81	0.00	4.78	6.07	3.80
Texas Non-MSA	705	1.97	0.00	0.00	9.39	7.94	66.40	65.53	24.21	26.52	4.90	0.00	3.12	4.90	0.00	3.12	4.92	5.56

\* Based on 2010 Peer Small Business Data -- US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2011).

Table 7. Geographic Distribution of Small Loans to Farms

GEOGRAPHIC DISTRIBUTION: SMALL LOANS TO FARMS		GEOGRAPHY: TEXAS										EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Dallas-Plano-Irving, TX MD	61	12.87	2.11	0.00	16.79	9.84	42.98	31.15	38.13	59.02	4.87	0.00	2.50	2.82	10.71	
Ft Worth-Arlington, TX MD	30	6.33	1.30	3.33	13.67	13.33	53.13	60.00	31.90	23.33	5.50	0.00	9.09	4.84	5.77	
San Antonio-New Braunfels, TX MSA	51	10.76	0.58	0.00	14.67	9.80	45.67	49.02	39.08	41.18	4.26	0.00	3.85	2.03	9.76	
<b>Limited Review:</b>																
Abilene, TX MSA	10	2.11	0.00	0.00	13.76	20.00	54.33	60.00	31.91	20.00	2.20	0.00	14.29	2.04	0.00	
Amarillo, TX MSA	17	3.59	5.04	0.00	6.45	0.00	55.21	64.71	33.30	35.29	3.93	0.00	0.00	4.55	4.82	
Austin-Round Rock-San Marcos, TX MSA	35	7.38	1.45	2.86	17.92	11.43	46.29	28.57	34.34	57.14	3.03	0.00	1.18	1.51	8.97	
Beaumont-Port Arthur, TX MSA	3	0.63	1.25	0.00	10.13	33.33	60.23	66.67	28.39	0.00	1.72	0.00	0.00	2.78	0.00	
Brownsville-Harlingen, TX MSA	7	1.48	1.09	0.00	8.21	0.00	54.20	85.71	36.50	14.29	5.36	0.00	0.00	10.00	0.00	
College Station-Bryan, TX MSA	12	2.53	0.09	0.00	12.56	8.33	50.86	58.33	36.49	33.33	2.37	0.00	0.00	2.54	3.85	
Corpus Christi, TX MSA	30	6.33	4.47	13.33	14.92	23.33	48.20	43.33	32.40	20.00	5.41	33.33	11.54	3.80	2.50	
El Paso, TX MSA	1	0.21	3.22	0.00	32.85	0.00	25.12	100.00	38.81	0.00	0.00	0.00	0.00	0.00	0.00	
Houston-Sugar Land-Baytown, TX MSA	58	12.24	2.48	0.00	18.32	13.79	38.18	37.93	41.02	48.28	3.23	0.00	2.56	3.07	3.83	
Killeen-Temple-Fort Hood, TX MSA	9	1.90	0.64	0.00	7.16	11.11	54.55	44.44	37.65	44.44	1.47	0.00	0.00	1.37	1.89	

\* Based on 2010 Peer Small Business Data -- US and PR  
 \*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.  
 \*\*\* Source Data - Dun and Bradstreet (2011).

Table 7. Geographic Distribution of Small Loans to Farms

GEOGRAPHIC DISTRIBUTION: SMALL LOANS TO FARMS		GEOGRAPHY: TEXAS										EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011				
MA/Assessment Area:	Total Small Farm Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Market Share (%) by Geography*					
	#	% of Total**	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	% of Farms***	% BANK Loans	Overall	Low	Mod	Mid	Upp	
<b>Limited Review:</b>																
Laredo, TX MSA	4	0.84	2.02	0.00	14.57	0.00	24.70	75.00	58.70	25.00	5.88	0.00	0.00	16.67	4.55	
Longview, TX MSA	15	3.16	0.00	0.00	12.05	26.67	71.41	40.00	16.54	33.33	4.10	0.00	7.69	2.22	16.67	
Lubbock, TX MSA	6	1.27	0.07	0.00	13.84	0.00	43.76	33.33	42.32	66.67	0.19	0.00	0.00	0.00	0.49	
McAllen-Edinburg-Mission, TX MSA	11	2.32	0.00	0.00	16.41	9.09	46.52	45.45	37.07	45.45	4.49	0.00	0.00	7.32	3.23	
Midland, TX MSA	3	0.63	2.38	0.00	23.38	33.33	42.42	33.33	31.82	33.33	0.00	0.00	0.00	0.00	0.00	
Odessa, TX MSA	1	0.21	0.00	0.00	5.14	0.00	46.26	0.00	48.60	100.00	14.29	0.00	0.00	0.00	20.00	
San Angelo, TX MSA	5	1.05	0.49	0.00	3.62	0.00	65.57	80.00	30.31	20.00	9.52	0.00	0.00	11.76	0.00	
Sherman-Denison, TX MSA	13	2.74	0.00	0.00	4.83	7.69	89.38	84.62	5.79	7.69	10.34	0.00	0.00	10.91	0.00	
Tyler, TX MSA	6	1.27	1.53	0.00	9.82	0.00	66.36	100.00	22.29	0.00	6.38	0.00	0.00	9.38	0.00	
Victoria, TX MSA	7	1.48	0.36	0.00	10.16	0.00	68.42	100.00	21.05	0.00	1.03	0.00	0.00	1.30	0.00	
Waco, TX MSA	5	1.05	1.39	0.00	8.74	0.00	47.30	60.00	42.57	40.00	2.74	0.00	0.00	5.41	0.00	
Wichita Falls, TX MSA	5	1.05	0.00	0.00	12.22	0.00	52.72	100.00	35.05	0.00	5.88	0.00	0.00	10.00	0.00	
Texas Non-MSA	69	14.56	0.00	0.00	3.68	0.00	72.78	82.61	23.54	17.39	6.45	0.00	0.00	7.38	2.90	

\* Based on 2010 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2011).

Table 8. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE		GEOGRAPHY: TEXAS										EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families***	% BANK Loans***	% Families***	% BANK Loans***	% Families***	% BANK Loans***	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Dallas-Plano-Irving, TX MD	24,576	18.82	21.32	9.89	18.00	28.65	20.39	26.39	40.30	35.07	15.07	17.73	19.17	17.35	11.52	
Ft Worth-Arlington, TX MD	12,878	9.86	19.56	13.35	18.78	31.41	21.95	27.27	39.71	27.98	16.07	19.03	18.73	18.04	12.21	
San Antonio-New Braunfels, TX MSA	16,046	12.29	21.16	5.87	17.99	24.98	20.54	31.75	40.31	37.40	19.12	17.65	21.36	22.42	16.37	
<b>Limited Review:</b>																
Abiene, TX MSA	683	0.52	19.15	7.53	18.23	20.24	23.78	31.31	38.84	40.92	12.46	16.55	14.61	12.52	10.96	
Amarillo, TX MSA	2,010	1.54	19.77	12.95	18.63	25.86	21.81	28.90	39.78	32.29	25.21	27.93	28.34	28.97	20.41	
Austin-Round Rock-San Marcos, TX MSA	12,947	9.91	19.76	11.19	18.30	31.88	22.76	27.13	39.17	29.80	14.80	18.70	19.65	16.26	10.44	
Beaumont-Port Arthur, TX MSA	1,205	0.92	22.47	6.71	17.06	24.08	20.02	34.56	40.44	34.65	15.38	17.79	17.39	19.92	11.54	
Brownsville-Harlingen, TX MSA	1,167	0.89	23.75	0.97	16.04	16.70	17.82	23.06	42.40	59.28	17.59	15.79	27.84	22.18	14.59	
College Station-Bryan, TX MSA	1,053	0.81	23.88	5.26	16.53	19.89	18.30	26.96	41.29	47.90	13.75	18.18	16.45	16.15	11.60	
Corpus Christi, TX MSA	1,887	1.44	22.82	4.87	16.99	18.29	19.76	31.55	40.43	45.29	15.49	17.24	19.65	16.99	13.48	
El Paso, TX MSA	3,640	2.79	22.11	2.79	17.46	17.58	18.92	32.62	41.51	47.00	16.82	19.31	19.94	18.61	14.99	
Houston-Sugar Land-Baytown, TX MSA	37,462	28.69	22.61	7.61	17.36	29.21	18.97	27.69	41.06	35.48	18.25	22.07	23.79	21.61	13.48	
Killeen-Temple-Fort Hood, TX MSA	2,663	2.04	17.01	4.23	19.97	22.00	23.75	35.74	39.27	38.04	15.57	13.44	15.60	16.22	15.23	

\* Based on 2010 Peer Mortgage Data (USPR)  
 \*\* Home purchase loans originated and purchased in the MSA/AA as a percentage of all home purchase loans originated and purchased in the rated area.  
 \*\*\* Percentage of Families is based on the 2000 Census information.  
 \*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.2% of loans originated and purchased by bank.

Table 8. Borrower Distribution of Home Purchase Loans

BORROWER DISTRIBUTION: HOME PURCHASE		GEOGRAPHY: TEXAS													
		EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011													
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Limited Review:</b>															
Laredo, TX MSA	1,514	1.16	22.96	1.73	16.89	14.60	18.19	25.33	41.96	58.33	27.61	16.00	20.61	28.57	29.58
Longview, TX MSA	533	0.41	20.58	4.53	17.93	27.55	21.60	32.64	39.88	35.28	8.56	6.85	10.60	9.65	7.11
Lubbock, TX MSA	1,885	1.44	21.02	6.86	17.88	22.97	20.74	26.90	40.36	43.27	15.64	13.42	18.48	17.97	13.66
McAllen-Edinburg-Mission, TX MSA	1,958	1.50	23.48	0.67	16.86	8.58	17.67	20.01	41.98	70.73	17.49	10.20	16.46	20.05	17.10
Midland, TX MSA	419	0.32	20.88	9.16	18.60	24.34	19.33	28.19	41.20	38.31	7.68	17.16	9.21	7.03	6.49
Odessa, TX MSA	445	0.34	21.22	5.90	17.50	28.34	21.98	34.47	39.30	31.29	13.33	10.00	15.70	15.63	10.71
San Angelo, TX MSA	368	0.28	19.37	10.08	18.37	26.43	22.73	30.79	39.53	32.70	10.39	10.78	12.19	12.21	8.48
Sherman-Denison, TX MSA	546	0.42	19.46	15.01	18.09	28.71	23.05	25.70	39.40	30.58	14.33	15.70	17.72	15.53	11.13
Tyler, TX MSA	890	0.68	20.31	4.42	18.42	23.67	20.71	30.69	40.55	41.22	13.19	9.30	13.83	15.82	11.89
Victoria, TX MSA	416	0.32	21.10	4.59	17.47	27.29	20.57	31.64	40.86	36.47	14.04	10.00	19.31	14.29	12.17
Waco, TX MSA	1,042	0.80	20.68	6.47	17.54	23.29	21.36	30.34	40.42	39.90	14.16	14.29	15.16	15.61	12.95
Wichita Falls, TX MSA	807	0.62	18.22	6.59	19.08	22.89	23.92	34.45	38.78	36.07	15.38	13.38	16.03	19.12	13.00
Texas Non-MSA	1,550	1.19	18.68	6.05	17.01	21.35	21.20	25.07	43.10	47.53	14.87	17.35	16.18	14.49	14.41

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home purchase loans originated and purchased in the MAA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 1.2% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

BORROWER DISTRIBUTION: HOME IMPROVEMENT		GEOGRAPHY: TEXAS										EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	Families**	% BANK Loans****	Families**	% BANK Loans****	Families***	% BANK Loans****	Families****	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
<b>Full Review:</b>																
Dallas-Plano-Irving, TX MD	372	21.35	21.32	3.23	18.00	14.96	20.39	23.75	40.30	58.06	5.80	3.36	6.98	8.19	5.13	
Ft Worth-Arlington, TX MD	193	11.08	19.56	5.03	18.78	11.17	21.95	30.17	39.71	53.63	4.49	2.60	1.64	6.33	4.74	
San Antonio-New Braunfels, TX MSA	138	7.92	21.16	5.79	17.99	23.97	20.54	25.62	40.31	44.63	1.64	0.43	3.52	1.59	1.39	
<b>Limited Review:</b>																
Abilene, TX MSA	16	0.92	19.15	0.00	18.23	0.00	23.78	26.67	38.84	73.33	2.74	0.00	0.00	1.72	4.02	
Amarillo, TX MSA	19	1.09	19.77	5.56	18.63	16.67	21.81	27.78	39.78	50.00	3.53	0.00	2.70	5.71	4.24	
Austin-Round Rock-San Marcos, TX MSA	169	9.70	19.76	5.84	18.30	18.18	22.76	20.13	39.17	55.84	3.40	1.64	2.33	2.85	4.27	
Beaumont-Port Arthur, TX MSA	21	1.21	22.47	0.00	17.06	6.67	20.02	46.67	40.44	46.67	0.98	0.00	1.32	2.78	0.28	
Brownsville-Harlingen, TX MSA	13	0.75	23.75	0.00	16.04	0.00	17.82	8.33	42.40	91.67	2.40	0.00	0.00	2.33	3.33	
College Station-Bryan, TX MSA	7	0.40	23.88	0.00	16.53	16.67	18.30	0.00	41.29	83.33	1.78	0.00	0.00	0.00	2.70	
Corpus Christi, TX MSA	58	3.33	22.82	4.00	16.99	6.00	19.76	26.00	40.43	64.00	4.52	8.33	2.13	7.59	3.63	
El Paso, TX MSA	57	3.27	22.11	0.00	17.46	6.52	18.92	21.74	41.51	71.74	1.89	0.00	0.89	1.61	2.18	
Houston-Sugar Land-Baytown, TX MSA	427	24.51	22.61	4.88	17.36	13.88	18.97	19.28	41.06	61.95	3.89	2.27	4.70	3.80	3.96	
Killeen-Temple-Fort Hood, TX MSA	23	1.32	17.01	9.09	19.97	22.73	23.75	22.73	39.27	45.45	3.31	3.85	6.38	1.45	3.16	

\* Based on 2010 Peer Mortgage Data (USPR)  
 \*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.  
 \*\*\* Percentage of Families is based on the 2000 Census information.  
 \*\*\*\* As a percentage of loans with borrower income information available. No information was available for 9.8% of loans originated and purchased by bank.

Table 9. Borrower Distribution of Home Improvement Loans

BORROWER DISTRIBUTION: HOME IMPROVEMENT		GEOGRAPHY: TEXAS										EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011				
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*					
	#	% of Total**	% Families**	% BANK Loans****	% Families**	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp	
Limited Review:																
Laredo, TX MSA	7	0.40	22.96	14.29	16.89	0.00	18.19	14.29	41.96	71.43	3.66	25.00	0.00	0.00	3.64	
Longview, TX MSA	9	0.52	20.58	0.00	17.93	25.00	21.60	12.50	39.88	62.50	0.21	0.00	0.00	0.00	0.42	
Lubbock, TX MSA	17	0.98	21.02	0.00	17.88	5.88	20.74	29.41	40.36	64.71	3.51	0.00	0.00	6.52	3.97	
McAllen-Edinburg-Mission, TX MSA	44	2.53	23.48	0.00	16.86	15.38	17.67	23.08	41.98	61.54	6.80	0.00	6.52	5.56	7.82	
Midland, TX MSA	18	1.03	20.88	0.00	18.60	41.18	19.33	29.41	41.20	29.41	3.45	0.00	15.79	2.04	2.30	
Odessa, TX MSA	13	0.75	21.22	0.00	17.50	27.27	21.98	27.27	39.30	45.45	1.23	0.00	10.00	0.00	0.00	
San Angelo, TX MSA	11	0.63	19.37	12.50	18.37	0.00	22.73	75.00	39.53	12.50	2.19	0.00	0.00	7.69	1.09	
Sherman-Denison, TX MSA	9	0.52	19.46	0.00	18.09	28.57	23.05	0.00	39.40	71.43	2.52	0.00	2.78	0.00	4.11	
Tyler, TX MSA	23	1.32	20.31	0.00	18.42	23.81	20.71	28.57	40.55	47.62	3.08	0.00	2.38	3.64	3.41	
Victoria, TX MSA	5	0.29	21.10	0.00	17.47	25.00	20.57	25.00	40.86	50.00	2.13	0.00	5.26	0.00	1.96	
Waco, TX MSA	21	1.21	20.68	0.00	17.54	11.76	21.36	17.65	40.42	70.59	3.98	0.00	0.00	2.17	5.73	
Wichita Falls, TX MSA	5	0.29	18.22	0.00	19.08	50.00	23.92	50.00	38.78	0.00	0.00	0.00	0.00	0.00	0.00	
Texas Non-MSA	47	2.70	18.68	8.89	17.01	8.89	21.20	11.11	43.10	71.11	3.19	0.00	3.85	0.72	4.58	

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 9.8% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE		GEOGRAPHY: TEXAS				EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011									
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*				
	#	% of Total**	% Families**	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mod	Mid	Upp
<b>Full Review:</b>															
Dallas-Plano-Irving, TX MD	25,455	25.74	21.32	4.47	18.00	14.36	20.39	21.19	40.30	59.98	14.11	21.97	19.90	15.78	12.50
Ft Worth-Arlington, TX MD	10,874	11.00	19.56	5.03	18.78	15.64	21.95	23.93	39.71	55.40	14.84	21.36	19.16	17.04	13.02
San Antonio-New Braunfels, TX MSA	8,664	8.76	21.16	4.16	17.99	11.65	20.54	22.72	40.31	61.46	13.21	18.56	15.46	15.37	12.11
<b>Limited Review:</b>															
Abilene, TX MSA	398	0.40	19.15	2.22	18.23	12.66	23.78	17.09	38.84	68.04	9.85	6.98	11.88	8.58	9.98
Amarillo, TX MSA	1,096	1.11	19.77	3.64	18.63	13.18	21.81	24.87	39.78	58.31	14.10	9.16	14.43	15.03	14.08
Austin-Round Rock-San Marcos, TX MSA	11,715	11.85	19.76	5.72	18.30	16.32	22.76	25.06	39.17	52.89	12.56	18.30	15.82	14.13	10.89
Beaumont-Port Arthur, TX MSA	670	0.68	22.47	2.27	17.06	10.65	20.02	23.39	40.44	63.70	9.53	10.94	9.64	10.38	9.21
Brownsville-Harlingen, TX MSA	601	0.61	23.75	1.34	16.04	5.34	17.82	13.17	42.40	80.15	17.08	36.36	25.58	22.88	15.95
College Station-Bryan, TX MSA	788	0.80	23.88	2.25	16.53	9.55	18.30	21.91	41.29	66.29	12.47	12.50	16.98	17.66	10.82
Corpus Christi, TX MSA	1,498	1.52	22.82	2.48	16.99	7.92	19.76	21.84	40.43	67.76	15.32	23.61	15.05	17.05	14.65
El Paso, TX MSA	1,819	1.84	22.11	2.11	17.46	6.53	18.92	17.01	41.51	74.36	12.29	11.76	11.89	12.31	12.33
Houston-Sugar Land-Baytown, TX MSA	26,008	26.30	22.61	3.74	17.36	12.31	18.97	20.82	41.06	63.14	14.38	21.87	20.02	17.31	12.76
Killeen-Temple-Fort Hood, TX MSA	1,170	1.18	17.01	2.73	19.97	13.77	23.75	22.41	39.27	61.09	13.23	15.49	16.26	12.82	12.83

\* Based on 2010 Peer Mortgage Data (USPR)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Families is based on the 2000 Census information.

\*\*\*\* As a percentage of loans with borrower income information available. No information was available for 13.2% of loans originated and purchased by bank.

Table 10. Borrower Distribution of Home Mortgage Refinance Loans

BORROWER DISTRIBUTION: HOME MORTGAGE REFINANCE		GEOGRAPHY: TEXAS										EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011				
MA/Assessment Area:	Total Home Mortgage Refinance Loans #	Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Market Share*						
		% of Total**	% Families**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Overall	Low	Mid	Upp			
Laredo, TX MSA	524	0.53	22.96	1.84	16.89	8.74	18.19	12.64	41.96	76.78	24.42	9.09	39.47	23.58	23.88	
Longview, TX MSA	431	0.44	20.58	2.25	17.93	14.65	21.60	29.86	39.88	53.24	9.72	7.27	10.95	12.57	8.50	
Lubbock, TX MSA	1,105	1.12	21.02	2.68	17.88	12.99	20.74	20.62	40.36	63.71	15.01	18.28	19.53	17.19	13.66	
McAllen-Edinburg-Mission, TX MSA	1,277	1.29	23.48	0.83	16.86	4.50	17.67	9.17	41.98	85.50	21.48	25.00	20.65	16.84	21.98	
Midland, TX MSA	397	0.40	20.88	2.58	18.60	13.47	19.33	28.65	41.20	55.30	9.01	15.38	9.32	11.59	7.89	
Odessa, TX MSA	252	0.25	21.22	1.38	17.50	14.29	21.98	23.50	39.30	60.83	12.34	8.33	15.12	11.23	12.39	
San Angelo, TX MSA	216	0.22	19.37	5.43	18.37	13.59	22.73	27.17	39.53	53.80	5.88	10.87	4.95	6.10	5.60	
Sherman-Denison, TX MSA	449	0.45	19.46	4.82	18.09	18.27	23.05	23.35	39.40	53.55	16.22	20.83	25.74	15.26	14.29	
Tyler, TX MSA	893	0.90	20.31	2.75	18.42	13.38	20.71	22.75	40.55	61.12	14.21	6.78	19.25	16.42	13.18	
Victoria, TX MSA	257	0.26	21.10	2.42	17.47	13.04	20.57	17.39	40.86	67.15	10.22	11.11	13.64	11.03	9.44	
Waco, TX MSA	791	0.80	20.68	1.61	17.54	11.14	21.36	21.41	40.42	65.84	14.34	2.56	13.95	15.60	14.36	
Wichita Falls, TX MSA	257	0.26	18.22	3.76	19.08	14.55	23.92	24.88	38.78	56.81	7.27	2.94	8.76	9.36	6.55	
Texas Non-MSA	1,269	1.28	18.68	2.55	17.01	7.57	21.20	20.77	43.10	69.10	14.69	18.52	17.99	16.84	13.88	

Limited Review:

\* Based on 2010 Peer Mortgage Data (USPR)  
 \*\* Home refinance loans originated and purchased in the MAVAA as a percentage of all home refinance loans originated and purchased in the rated area.  
 \*\*\* Percentage of Families is based on the 2000 Census information.  
 \*\*\*\* As a percentage of loans with borrower income information available. No information was available for 13.2% of loans originated and purchased by bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES		GEOGRAPHY: TEXAS		EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011				Market Share*	
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			All	Rev\$ 1 Million or Less
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000		
<b>Full Review:</b>									
Dallas-Plano-Irving, TX MD	9,498	26.55	66.93	60.51	90.33	3.90	5.77	5.01	8.45
Ft Worth-Arlington, TX MD	3,413	9.54	67.66	61.06	92.41	2.67	4.92	3.82	5.38
San Antonio-New Braunfels, TX MSA	2,615	7.31	67.62	59.01	90.59	3.56	5.85	3.64	5.92
<b>Limited Review:</b>									
Abilene, TX MSA	160	0.45	67.02	53.13	97.50	1.25	1.25	3.42	3.54
Amarillo, TX MSA	285	0.80	68.12	44.21	89.12	5.61	5.26	1.74	2.45
Austin-Round Rock-San Marcos, TX MSA	3,935	11.00	66.32	62.19	90.93	3.38	5.69	4.51	6.83
Beaumont-Port Arthur, TX MSA	341	0.95	67.35	56.01	95.89	1.76	2.35	2.83	3.80
Brownsville-Harlingen, TX MSA	158	0.44	67.57	66.46	90.51	3.80	5.70	1.74	2.91
College Station-Bryan, TX MSA	215	0.60	68.84	57.67	93.02	1.86	5.12	2.84	2.88
Corpus Christi, TX MSA	479	1.34	65.11	59.71	92.07	2.09	5.85	3.39	4.49
El Paso, TX MSA	635	1.78	63.44	61.57	94.17	2.20	3.62	2.82	3.94
Houston-Sugar Land-Baytown, TX MSA	10,286	28.75	67.35	59.27	91.68	3.32	5.01	3.86	7.06
Killeen-Temple-Fort Hood, TX MSA	345	0.96	67.09	67.25	97.10	0.58	2.32	4.74	6.13

\* Based on 2010 Peer Small Business Data - US and PR

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2011).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 24.45% of small loans to businesses originated and purchased by the bank.

Table 11. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: Small Loans to Businesses		GEOGRAPHY: TEXAS		EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011					
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount regardless of Business Size		Market Share*		
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Limited Review:									
Laredo, TX MSA	159	0.44	66.09	55.35	94.97	1.26	3.77	2.02	2.09
Longview, TX MSA	226	0.63	69.18	55.75	98.67	0.44	0.88	3.35	5.10
Lubbock, TX MSA	242	0.68	62.12	54.55	96.69	0.83	2.48	1.95	2.02
McAllen-Edinburg-Mission, TX MSA	504	1.41	68.17	67.26	96.63	0.99	2.38	3.00	5.05
Midland, TX MSA	217	0.61	64.39	48.85	88.48	2.30	9.22	3.56	5.19
Odessa, TX MSA	147	0.41	67.52	55.10	97.28	1.36	1.36	4.66	8.48
San Angelo, TX MSA	157	0.44	65.63	54.78	94.27	3.82	1.91	6.65	7.61
Sherman-Denison, TX MSA	166	0.46	68.68	53.61	95.78	0.60	3.61	5.61	6.50
Tyler, TX MSA	350	0.98	69.23	58.00	95.71	0.86	3.43	4.42	5.23
Victoria, TX MSA	108	0.30	66.73	50.93	99.07	0.93	0.00	1.70	1.35
Waco, TX MSA	279	0.78	68.04	54.48	94.27	2.51	3.23	4.92	6.32
Wichita Falls, TX MSA	147	0.41	70.21	60.54	97.28	1.36	1.36	4.32	6.60
Texas Non-MSA	705	1.97	69.00	54.18	95.60	2.70	1.70	4.48	5.36

\* Based on 2010 Peer Small Business Data - US and PR

\*\* Small loans to businesses originated and purchased in the M/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2011).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 24.45% of small loans to businesses originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

Borrower Distribution: Small Loans to Farms		GEOGRAPHY: TEXAS			EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011			Market Share*	
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less	Loans by Original Amount Regardless of Farm Size			All	Rev\$ 1 Million or Less	
	#	% of Total**	% of Farms***	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000			
<b>Full Review:</b>									
Dallas-Plano-Irving, TX MD	61	12.87	96.99	73.77	100.00	0.00	0.00	4.68	4.14
Ft Worth-Arlington, TX MD	30	6.33	97.88	66.67	96.67	3.33	0.00	5.29	4.38
San Antonio-New Braunfels, TX MSA	51	10.76	97.85	56.86	90.20	5.88	3.92	3.90	2.02
<b>Limited Review:</b>									
Abilene, TX MSA	10	2.11	98.17	70.00	100.00	0.00	0.00	2.69	1.80
Amarillo, TX MSA	17	3.59	96.82	47.06	82.35	11.76	5.88	3.77	4.14
Austin-Round Rock-San Marcos, TX MSA	35	7.38	97.67	74.29	94.29	5.71	0.00	2.87	3.16
Beaumont-Port Arthur, TX MSA	3	0.63	98.75	100.00	100.00	0.00	0.00	1.67	2.08
Brownsville-Harlingen, TX MSA	7	1.48	97.08	57.14	85.71	0.00	14.29	4.62	5.88
College Station-Bryan, TX MSA	12	2.53	97.59	66.67	100.00	0.00	0.00	2.69	1.64
Corpus Christi, TX MSA	30	6.33	97.77	50.00	56.67	16.67	26.67	5.00	3.81
El Paso, TX MSA	1	0.21	95.97	100.00	100.00	0.00	0.00	0.00	0.00
Houston-Sugar Land-Baytown, TX MSA	58	12.24	97.29	67.24	96.55	3.45	0.00	3.00	2.26
Killeen-Temple-Fort Hood, TX MSA	9	1.90	98.71	55.56	100.00	0.00	0.00	1.44	1.15

\* Based on 2010 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2011).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 30.41% of small loans to farms originated and purchased by the bank.

Table 12. Borrower Distribution of Small Loans to Farms

BORROWER DISTRIBUTION: SMALL LOANS TO FARMS		GEOGRAPHY: TEXAS		EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011					
MA/Assessment Area:	Total Small Loans to Farms		Farms With Revenues of \$1 million or less		Loans by Original Amount Regardless of Farm Size			Market Share*	
	#	% of Total**	% of Farms***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$500,000	All	Rev\$ 1 Million or Less
<b>Limited Review:</b>									
Laredo, TX MSA	4	0.84	95.55	50.00	100.00	0.00	0.00	5.56	0.00
Longview, TX MSA	15	3.16	98.21	53.33	80.00	20.00	0.00	4.07	2.65
Lubbock, TX MSA	6	1.27	96.97	83.33	100.00	0.00	0.00	0.19	0.24
McAllen-Edinburg-Mission, TX MSA	11	2.32	93.51	54.55	100.00	0.00	0.00	3.92	1.69
Midland, TX MSA	3	0.63	98.70	33.33	66.67	0.00	33.33	0.00	0.00
Odessa, TX MSA	1	0.21	97.66	100.00	100.00	0.00	0.00	11.11	33.33
San Angelo, TX MSA	5	1.05	97.69	40.00	100.00	0.00	0.00	7.69	5.26
Sherman-Denison, TX MSA	13	2.74	99.14	53.85	100.00	0.00	0.00	9.09	5.36
Tyler, TX MSA	6	1.27	97.44	66.67	100.00	0.00	0.00	6.25	5.26
Victoria, TX MSA	7	1.48	98.73	57.14	85.71	14.29	0.00	1.02	1.14
Waco, TX MSA	5	1.05	98.70	60.00	80.00	0.00	20.00	2.67	1.75
Wichita Falls, TX MSA	5	1.05	98.53	80.00	100.00	0.00	0.00	4.76	4.00
Texas Non-MSA	69	14.56	96.86	53.62	88.41	5.80	5.80	5.58	4.93

\* Based on 2010 Peer Small Business Data -- US and PR

\*\* Small loans to farms originated and purchased in the MA/AA as a percentage of all small loans to farms originated and purchased in the rated area.

\*\*\* Farms with revenues of \$1 million or less as a percentage of all farms (Source D&B - 2011).

\*\*\*\* Small loans to farms with revenues of \$1 million or less as a percentage of all loans reported as small loans to farms. No information was available for 30.41% of small loans to farms originated and purchased by the bank.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	GEOGRAPHY: TEXAS		EVALUATION PERIOD: APRIL 1, 2009 TO DECEMBER 31, 2011						
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Dallas-Piano-Irving, TX MD	148	86,989	390	260,985	538	347,974	41.82	3	10,517
Ft Worth-Arlington, TX MD	30	13,848	137	77,399	167	91,247	10.97	3	6,506
San Antonio-New Braunfels, TX MSA	39	65,184	61	14,373	100	79,556	9.56	1	1,781
<b>Limited Review:</b>									
Abilene, TX MSA	3	3,081	11	238	14	3,319	0.40	0	0
Amarillo, TX MSA	2	52	29	605	31	658	0.08	0	0
Austin-Round Rock-San Marcos, TX MSA	45	11,231	93	39,456	138	50,688	6.09	3	18,565
Beaumont-Port Arthur, TX MSA	5	7,353	22	1,441	27	8,794	1.06	0	0
Brownsville-Harlingen, TX MSA	4	4,349	22	184	26	4,534	0.54	0	0
College Station-Bryan, TX MSA	3	195	12	275	15	471	0.06	0	0
Corpus Christi, TX MSA	6	6,319	40	897	46	7,215	0.87	0	0
El Paso, TX MSA	17	15,761	34	7,320	51	23,081	2.77	1	6,904
Houston-Sugar Land-Baytown, TX MSA	86	66,294	128	76,688	214	142,982	17.19	5	34,453
Killeen-Temple-Fort Hood, TX MSA	0	0	14	463	14	463	0.06	0	0

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Table 14. Qualified Investments

QUALIFIED INVESTMENTS MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments		Unfunded Commitments**		
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
GEOGRAPHY: TEXAS									
Limited Review:									
Laredo, TX MSA	1	35	10	16,527	11	16,562	1.99	1	12,084
Longview, TX MSA	2	254	8	104	10	358	0.04	0	0
Lubbock, TX MSA	4	216	13	388	17	603	0.07	0	0
McAllen-Edinburg-Mission, TX MSA	4	2,538	27	792	31	3,331	0.40	0	0
Midland, TX MSA	1	46	28	1,521	29	1,567	0.19	0	0
Odessa, TX MSA	0	0	10	204	10	204	0.02	0	0
San Angelo, TX MSA	1	1,056	8	179	9	1,235	0.15	0	0
Sherman-Denison, TX MSA	1	1,215	16	540	17	1,755	0.21	0	0
Tyler, TX MSA	3	101	43	799	46	900	0.11	0	0
Victoria, TX MSA	2	252	13	315	15	567	0.07	0	0
Waco, TX MSA	2	12,019	31	588	33	12,606	1.52	0	0
Wichita Falls, TX MSA	1	855	14	142	15	998	0.12	0	0
Texas Non-MSA	14	7,177	69	1,673	83	8,850	1.06	0	0
Statewide investments with potential to benefit one or more AAs	0	0	33	815	33	815	0.10	0	0
Statewide investments with no potential to benefit one or more AAs	14	20,343	54	352	68	20,695	2.49	0	0

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.  
 \*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.  
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Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

MA/Assessment Area:	Deposits		Branches				Branch Openings/Closings				Population						
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)			# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)			% of Population within Each Geography					
				Low	Mod	Mid			Upp	Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
<b>Full Review:</b>																	
Dallas-Plano-Irving, TX MD	63.70	116	25.66	5.17	25.86	28.45	40.52	5	18	1	0	-7	-7	7.60	27.39	34.04	30.98
Ft Worth-Arlington, TX MD	4.24	40	8.85	0.00	32.50	30.00	37.50	1	7	0	-1	-3	-2	5.10	24.80	41.72	28.37
San Antonio-New Braunfels, TX MSA	4.22	40	8.85	2.50	30.00	32.50	35.00	2	5	0	-1	-2	0	2.45	35.31	35.83	26.41
<b>Limited Review:</b>																	
Abilene, TX MSA	0.20	3	0.66	0.00	33.33	33.33	33.33	0	0	0	0	0	0	0.00	19.80	56.43	22.84
Amarillo, TX MSA	0.40	7	1.55	28.57	42.86	14.29	14.29	0	0	0	0	0	0	1.78	29.05	44.10	25.06
Austin-Round Rock-San Marcos, TX MSA	5.28	40	8.85	2.50	17.50	32.50	47.50	1	3	-1	-1	0	0	8.31	25.66	39.38	26.46
Beaumont-Port Arthur, TX MSA	0.86	3	0.66	0.00	33.33	33.33	33.33	0	0	0	0	0	0	4.06	20.33	49.45	24.22
Brownsville-Harlingen, TX MSA	0.14	3	0.66	33.33	66.67	0.00	0.00	0	0	0	0	0	0	2.26	25.87	42.69	29.18
College Station-Bryan, TX MSA	0.23	1	0.22	0.00	100.0	0.00	0.00	0	0	0	0	0	0	1.87	28.66	42.54	21.66
Corpus Christi, TX MSA	0.61	9	1.99	33.33	11.11	33.33	22.22	0	0	0	0	0	0	5.95	26.89	41.64	25.52
El Paso, TX MSA	1.04	11	2.43	9.09	9.09	9.09	72.73	0	2	0	0	-2	0	3.70	30.92	33.98	31.40
Houston-Sugar Land-Baytown, TX MSA	14.67	117	25.88	3.42	29.91	17.09	49.57	8	4	1	2	0	1	6.43	30.28	31.45	31.74
Killeen-Temple-Fort Hood, TX MSA	0.24	4	0.88	0.00	0.00	75.00	25.00	0	2	0	-2	0	0	0.71	17.12	60.90	21.27

Table 15. Distribution of Branch Delivery System and Branch Openings/Closings

MA/Assessment Area:		Deposits				Branches				Branch Openings/Closings				Population							
		% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within Each Geography						
					Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp			
Limited Review:																					
Laredo, TX MSA		0.10	2	0.44	0.00	0.00	0.00	50.00	50.00	0	0	0	0	0	0	0	0	0.52	38.06	33.72	27.69
Longview, TX MSA		0.06	1	0.22	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0.00	18.67	65.00	16.33
Lubbock, TX MSA		0.35	3	0.66	0.00	33.33	33.33	33.33	33.33	0	1	0	0	-1	0	0	0	1.23	30.78	43.24	24.74
McAllen-Edinburg-Mission, TX MSA		0.34	6	1.33	0.00	16.67	33.33	50.00	50.00	1	0	0	0	1	0	0	0	0.00	29.73	48.29	21.98
Midland, TX MSA		1.02	3	0.66	0.00	66.67	0.00	33.33	33.33	0	0	0	0	0	0	0	0	5.79	19.81	43.64	30.76
Odessa, TX MSA		0.12	2	0.44	0.00	100.0	0.00	0.00	0.00	0	0	0	0	0	0	0	0	1.84	19.77	42.31	36.08
San Angelo, TX MSA		0.11	2	0.44	0.00	0.00	0.00	50.00	50.00	0	1	0	0	0	0	0	0	1.49	17.76	53.45	27.30
Sherman-Denison, TX MSA		0.09	1	0.22	0.00	100.0	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0.00	17.24	73.81	8.94
Tyler, TX MSA		0.44	5	1.11	0.00	40.00	20.00	40.00	40.00	0	0	0	0	0	0	0	0	3.06	24.26	49.91	22.77
Victoria, TX MSA		0.08	1	0.22	0.00	0.00	0.00	100.0	100.0	0	0	0	0	0	0	0	0	1.88	25.41	51.40	21.31
Waco, TX MSA		0.30	3	0.66	0.00	33.33	0.00	66.67	66.67	0	0	0	0	0	0	0	0	10.94	25.71	31.10	32.24
Wichita Falls, TX MSA		0.15	2	0.44	0.00	50.00	0.00	50.00	50.00	0	0	0	0	0	0	0	0	1.65	23.49	48.15	26.70
Texas Non-MSA		1.03	27	5.97	0.00	25.93	70.37	3.70	3.70	0	0	0	0	0	0	0	0	0.00	9.27	67.75	22.98

## F.2 Community Reinvestment Act (CRA)

**Applicants shall describe their bank's compliance with the Community Reinvestment Act. Responses should, at minimum, address the following:**

- a. A general statement concerning the bank's commitment to the Community Reinvestment Act.**
- b. Copy of the CRA statement as filed with appropriate banking regulators for the last year.**
- c. Description of the bank's level of compliance with the CRA including the current rating and any documentation which demonstrates compliance. Such documentation would include disclosure of the extent of lending activity in the City of Austin's target neighborhoods.**
- d. Discussion of plans to improve or increase access to banking facilities for residents of the City of Austin's target neighborhoods.**
- e. Discussion of plans to improve or increase access to banking products and services for businesses in the City of Austin's target neighborhoods.**

JPMorgan Chase Bank, N.A. is committed to the goals of the Community Reinvestment Act (CRA), and to community service. On its most recent CRA exam conducted by the Comptroller of the Currency, the bank's overall CRA performance was rated "Satisfactory."

### Supporting Communities

On its most recent federal Community Reinvestment Act (CRA) performance examination, JPMorgan Chase Bank earned the CRA rating of Satisfactory.

The major factors that support the most recent CRA rating include:

- J.P. Morgan's lending performance is good. The bank demonstrated generally good lending performance in all rating areas. The strength of community development lending elevated the lending test rating in a majority of the rating areas to a good or an excellent level.
- J.P. Morgan's overall investment performance was considered excellent. Excellent or good performance is evident through the volume of qualified investments and grants made during the evaluation period, and the remaining value of investments originated in prior periods. The volume of legally-binding, unfunded commitments to Low-Income Housing Tax Credit partnerships or funds elevated the investment test rating in several of the bank's rating areas.
  - The bank and its affiliates responded to affordable housing needs primarily through investments in Low-Income Housing Tax Credit (LIHTC) partnerships or funds investments or acting as an equity placement agent for other investors into the LIHTC market. The bank is a consistent, and frequently the top, investor in the LIHTC market in the nation. With these investments, the bank demonstrated excellent responsiveness to the identified community development needs of its

communities, through investment vehicles that promote affordable housing for low- and moderate-income individuals.

- J.P. Morgan's overall service performance was considered good.
  - The distribution of branches provides generally good accessibility to geographies and individuals of different income levels in the bank's assessment areas.
  - The bank's record of opening and closing branch offices has improved the accessibility of its delivery systems, especially in moderate-income geographies. On a net basis, the bank opened over 400 branches during the evaluation period, with over 30 of those in low- or moderate-income (LMI) geographies.
  - Branch hours are reasonably consistent across the AAs and any differences were reasonably explained. Overall hours do not vary in a way that inconveniences portions of the assessment areas, particularly low- and moderate-income geographies.
  - The bank's level of community development services provided is good overall. J.P. Morgan provides financial services education in LMI area branches to homebuyers and homeowners trying to preserve their homes and in LMI area schools. The bank maintains a significant number of ongoing relationships with organizations that work on affordable housing, education initiatives, small business development, and other community development goals.

JPMorgan Chase Bank, N.A. receives a rating from the CRA Examinations once every three to four years. Our most recent federal Community Reinvestment Act (CRA) performance examination was issued in 2012 and covered CRA activities from 2007 to 2010. Below is the link to the OCC website, where you can search and find current and historical reports. On this page, in the Bank Name field, enter JPMorgan Chase, Charter Number 8, to view the report.

<http://www.occ.gov/tools-forms/tools/compliance-bsa/cra-perf-eval-search.html>

*PULL THE MOST RECENT REPORT FOR JPMORGAN CHASE BANK, N.A.*

## In the City of Austin

Below is a summary of CRA activity that the bank has provided in the city of Austin during the past twenty-four months:

J.P. Morgan's Community Development Banking (CDB) is an active and national leader in community development finance that promotes the growth of affordable housing, economic development and the revitalization of low- and moderate-

income communities across America. Through their unmatched resources, they offer comprehensive financing products for projects of any size and complexity, including construction financing, bridge loans, acquisition loans, letters of credit to support bond transactions and long-term permanent financing for Low Income Housing Tax Credit developments and bond purchases. During this period, the bank originated or purchased approximately \$412 million in community development loans or letters of credit in the city of Austin.

J.P. Morgan invests in Low Income Housing Tax Credits (LIHTC), a federal program intended to facilitate the development of low-income rental property that has been a primary driver of the development of approximately two million affordable housing units since the program inception in 1986. J.P. Morgan is a consistent annual investor with broad geographic penetration and utilizes a diversified investment strategy that enables it to maximize market penetration and meet varying community and economic objectives. J.P. Morgan also has a team of professionals dedicated to using New Markets Tax Credits (NMTC) to provide subsidized financing to high impact projects across our footprint where we can be innovative and provide new solutions, in partnership with our clients. J.P. Morgan makes substantial investments in LIHTC and in NMTC which help provide community services and revitalization/stabilization to low- or moderate-income communities. During this period, J.P. Morgan made more than \$6 million in new qualified investments in Austin.

Drawing on its 200-year legacy of integrity, strength and financial resources, we help families achieve and sustain homeownership. Chase offers purchase and refinance home loans to first-time and experienced homebuyers, services residential mortgage loans, and provides affordable housing solutions to customers struggling with their mortgage payments. During this period, the bank made more 4,600 mortgage loans for approximately \$1.5 billion in Austin, of which 5% were made to low- or moderate-income borrowers and 20% were made for homes located in low- or moderate-income communities.

The bank is also a market leader in the area of small business lending, making available a full range of competitively priced products designed to meet the needs of small businesses and their owners. During this period, the bank made more than 9,000 small business loans for approximately \$193 million in Austin, of which 24% of the loans were made to businesses located in low- or moderate-income communities.

Chase has long supported economic development, affordable housing, support services, education, and other community development initiatives by providing grants to not-for-profit organizations and financial intermediaries devoted to these areas. In addition, the bank has been a leader in designing and fostering innovative programs to meet the changing needs of its communities. During this period, J.P. Morgan provided more than \$600,000 million in grants to nonprofit,

civic, and philanthropic organizations located in Austin for community development purposes.

### *Making an Impact in Your Community*

- Austin Community College Foundation - J.P. Morgan's \$250,000 grant is a 2-year investment in the Career Expressway program, providing hands-on IT learning experiences in combination with academic training.
- United Way of Greater Austin - J.P. Morgan's \$25,000 investment supports Bank On City of Austin Neighborhood Centers programs.
- Ballet Austin - J.P. Morgan's \$20,000 grant supports the 2015-2016 Ballet season performances.

### *Supplier Diversity and Good Faith Efforts*

At JPMorgan Chase & Co., we are committed to cultivating business relationships with firms owned and operated by minorities, women and other historically underrepresented groups. We're challenging the way business is done by demonstrating strategic market leadership through diversity and inclusion, and supplier diversity. Our recent efforts are demonstrated in that JPMorgan Chase spent \$218MM across the state of Texas and \$7MM in Austin with diverse suppliers.

In response to this RFP, JPMorgan Chase does not anticipate subcontracting a portion of these goods or services directly to a diverse supplier. We are willing to engage in conversations to further discuss opportunities for subcontracting with diverse suppliers and can submit *quarterly Tier 2 indirect* reports upon request. Please refer to Appendix 8 for more information about our Supplier Diversity efforts.

## **F. Certifications and compliance**

### **F.1 Investment policy certification section 0625:**

**A copy of the City's Investment Policy is attached as Section 0620. Applicants must indicate they have read and understand the City's investment objectives by signing the Certification document Section 0625.**

Please see our signed and completed form included in Tab D in the Appendix.

### **F.2 Community reinvestment act (CRA):**

**Applicants shall describe their bank's compliance with the Community Reinvestment Act. Responses should, at minimum, address the following:**

- a. A general statement concerning the bank's commitment to the Community Reinvestment Act.**
- b. Copy of the CRA statement as filed with appropriate banking regulators for the last year.**
- c. Description of the bank's level of compliance with the CRA including the current rating and any documentation which demonstrates compliance. Such documentation would include disclosure of the extent of lending activity in the City of Austin's target neighborhoods.**
- d. Discussion of plans to improve or increase access to banking facilities for residents of the City of Austin's target neighborhoods.**
- e. Discussion of plans to improve or increase access to banking products and services for businesses in the City of Austin's target neighborhoods.**

Please see additional information on our involvement in the City's community attached in Tab R in the Appendix of this proposal.

#### **Community reinvestment**

##### **Wells Fargo earns highest regulatory rating**

The Community Reinvestment Act (CRA) of 1977 requires banks to meet the credit needs of all the communities where they do business, especially low-to-moderate income communities and families.

Wells Fargo received an "Outstanding" rating, the highest rating possible, in the most recently published CRA examination dated September 30, 2008 from the Office of the Comptroller of Currency (OCC). We met and exceeded community needs in areas such as affordable housing, financial education, and small business lending.

Community Reinvestment is an integral part of our business culture. We understand that we can be no stronger, nor more successful, than the neighborhoods and communities where we do business. Supporting our

communities allows us to better meet our customers' financial needs and helps us to achieve our goal to be one of America's best companies.

### **Wells Fargo Housing Foundation**

We are committed to giving back to the communities where our customers and team members live and work. Our mission is to provide sustainable homeownership opportunities for low- to moderate-income families. We do this by providing volunteer and financial resources to local and national nonprofit housing organizations. We work with established local and national nonprofit organizations that have demonstrated the ability to create homeownership opportunities, as well as make necessary repairs and upgrades, for low- to moderate-income families.

In 2014, the Wells Fargo Housing Foundation donated nearly \$20 million in support of affordable housing initiatives serving low- and moderate-income households. These initiatives support sustainable housing and community for revitalization efforts for seniors, veterans, and families in need.

### **Community lending**

Wells Fargo Community Lending & Investment specializes in offering debt and equity capital to organizations that provide economic development, job creation, and affordable housing in communities of need nationwide. We work with nonprofit, for-profit, or public and government organizations that share our focus on community.

### **Team member volunteers**

One of the most important contributions our team members can make is using their professional skills and knowledge to help nonprofits with business and organizational projects such as building a website, managing a large project, or training volunteers. Thousands of team members are serving on nonprofit boards; this is how we often find out about projects and organizations that need funding or other support. It's a critical part of our grassroots community giving strategy.

In 2014, our team members volunteered 1.74 million hours; they contributed more than \$97 million dollars through year-round donations to nonprofits and our Community Support Campaign.

### **Charitable contributions**

Investing in our communities is a way for us to help create future economic growth and prosperity in the communities where we live and work. We invest financial capital and, more importantly, human and social capital, thanks to thousands of caring team members who are local community leaders and volunteers.

We donated \$1.1 billion to nonprofits over the last four years (2011-2014) to support and revitalize communities, help charitable organizations, and grow local economies; this includes more than \$281.2 million to 17,100 nonprofits and schools in 2014.

You can find our most recent Community Reinvestment Act (CRA) performance evaluation at the following link:

[wellsfargo.com/about/community/wfcra/perf\\_evaluation](https://wellsfargo.com/about/community/wfcra/perf_evaluation)

Being a good corporate citizen is part of our culture — it's fundamental to our vision and values and the way we manage our company. Our business depends on resilient, sustainable communities and a healthy economy. We seek to strengthen the financial knowledge of our customers. We believe this will create opportunities for the City, as well as the communities we serve, to succeed financially.

The following paragraphs provide an overview into just some of the programs we have put in place to make our mission a success.

### **Leading The Way Home®**

This community outreach program is designed to help communities understand and act on efforts to stabilize their current housing situation while advancing homeownership to build a strong community for the future.

### **NeighborhoodLIFT®**

To support sustainable homeownership and advance neighborhood stability, this program looks to the future by delivering down payment assistance and financial education to homebuyers in collaboration with NeighborWorks America and local nonprofit organizations.

Please see additional information around our NeighborhoodLIFT program attached in Tab S in the Appendix.

### **Community Support Campaign**

The annual Wells Fargo Community Support Campaign takes place during the month of September and provides an easy, efficient, and effective way for team members to plan and fulfill their annual financial giving to those causes and communities they passionately support.

### **Hands on Banking®**

This financial education program, and its Spanish-language counterpart *El futuro en tus manos®*, delivers free courses for groups such as the military, seniors, small business owners, and youth. These courses teach the basics of responsible money management, including how to create a budget, save and invest, borrow responsibly, buy a home, establish a small business, and save for retirement.

### **Commitment to leadership**

As one of the nation's largest financial institutions, we take responsibility for promoting long-term economic prosperity for everyone in our communities. In order to achieve our leadership goals, we focus on the following five areas:

- Ethics
- Products and services
- Community involvement
- Team member engagement
- Environmental commitment

# Wells Fargo: Investing in Austin

## Central Texas Leadership

Jeff Schumacher  
Region President, Community Bank

Rina Patel  
Area President, Community Bank

Mark Masten  
Area President, Community Bank

Mark Curry  
Area Manager, Business Banking

Mark Metcalfe  
Region Manager, Commercial Banking

Doug Mangum  
Region Manager, Technology Banking

Jeff Thompson  
Region Manager, Wealth Management

David Jones  
Director, Trust Management

Jon McElhaney  
Complex Manager, Wells Fargo Advisors

Danny Deutsch  
Area Sales Manager, Home Mortgage

Craig Browning  
Region Manager, Auto Finance

Andy Deskins  
Senior Relationship Manager,  
Government Banking

Kelly Rodgers  
State Government Relations Director

Theresa Alvarez  
Community Affairs

Laura Cabanilla-Cruz  
Community Development

Helen Bow  
Communications Consultant

Chris Nguyen  
Marketing Director

## Wells Fargo's presence in Austin

- FDIC deposits totaling more than \$7.66 billion providing #1 deposit share at 21% in the Austin-Round Rock CBSA (June 2015)
- More than 1,400 Wells Fargo team members live and work in the Austin area
- 70 Community banking stores and 116 ATMs in the Austin area
- Home to Wells Fargo partners in Business Banking, Technology & Venture Banking, Government Banking, Home Mortgage, Auto Finance, Commercial Banking, Retail Brokerage, Wells Fargo Advisors, Wealth Management Group—and more

## Serving customers and communities through:

### *Philanthropic investing and team member volunteerism*

- Wells Fargo Foundation contributed \$1,088,320 towards community development, education, and local nonprofit organizations
- Wells Fargo team members raised \$325,032 during the 2015 Community Support Campaign to support local nonprofit organizations
- More than 11,500 volunteer hours contributed by 495 team members supporting 695 nonprofit organizations in 2015
- More than 100 team members serve on more than 180 local boards and committees
- Team members participated in 13 home build days with three Habitat for Humanity chapters in Travis, Williamson, and Hays counties to build three homes in 2015

### *Community relationships*

- Worked with a number of organizations to support financial literacy including Girl Scouts of Central Texas, United Way (St. John's neighborhood), and Foundation Communities (VITA-Volunteer Income Tax Assistance)
- Wells Fargo donated two mortgage-free homes in the Austin area which were donated to wounded military veterans through teaming up with Operation Homefront and Wounded Warriors Support Foundation
- \$100,000 commitment to Seton Fund for University of Texas teaching hospital
- \$100,000 for Austin Habitat for Humanity the new construction of the Re-store
- Through the Priority Markets Grants program, Wells Fargo donated \$50,000 each to Frameworks CDC and Austin Habitat for Humanity to assist with rehabilitation and neighborhood improvement projects in Austin

## Awards

- Leadership Giving Award, Tocqueville Society/United Way (2015)
- Workplace of Distinction, Girl Scouts of Central Texas (2016)





# Investing in Austin

## Small is Huge<sup>SM</sup>

It all adds up to make a big difference.

*"Our team members understand that small efforts can make a huge difference in our communities. We care deeply about our communities, and we volunteer our time, serve on nonprofit boards, and contribute to local charitable organizations."*

— The Vision & Values of Wells Fargo, page 21



FDIC deposits totaling more than **\$7.66 billion** providing #1 deposit share at 21% in the Austin-Round Rock CBSA (June 2015)



More than **1,400** Wells Fargo team members live and work in the Austin area



**70** community banking stores and **116** ATMs in the Austin area



Home to Wells Fargo partners in Business Banking, Technology & Venture Banking, Government Banking, Home Mortgage, Auto Finance, Commercial Banking, Retail Brokerage, Wells Fargo Advisors, Wealth Management Group — and more

Wells Fargo Foundation contributed **\$1,088,320** towards community development, education, and local nonprofit organizations



Wells Fargo team members raised **\$325,032** during the 2015 Community Support Campaign to support local nonprofit organizations



More than **11,500** volunteer hours contributed by **495** team members supporting **695** nonprofit organizations in 2015

More than **100** team members serve on more than 180 local boards and committees



Team members participated in **13** home build days with three Habitat for Humanity chapters in Travis, Williamson, and Hays counties to build three homes in 2015

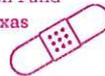
Worked with a number of organizations to support financial literacy including **Girl Scouts of Central Texas, United Way** (St. John's neighborhood), and **Foundation Communities** (VITA-Volunteer Income Tax Assistance)



Wells Fargo **donated two mortgage-free homes** in the Austin area which were donated to wounded military veterans through teaming up with Operation Homefront and Wounded Warriors Support Foundation



**\$100,000** commitment to Seton Fund for University of Texas teaching hospital



**\$100,000** for Austin Habitat for Humanity the new construction of the Re-store



Through the Priority Markets Grants program, Wells Fargo donated **\$50,000** each to Frameworks CDC and Austin Habitat for Humanity to assist with rehabilitation and neighborhood improvement projects in Austin



**Leadership Giving Award**, Tocqueville Society/United Way (2015)  
**Workplace of Distinction**, Girl Scouts of Central Texas (2016)

Since 2011, Wells Fargo has invested **\$246,250** in our local **Girl Scouts**

as the financial literacy corporate patch partner. We've **distributed over 44,660 patches** to scouts who earned patches by completing a *Hands on Banking*<sup>SM</sup> financial literacy curriculum at Wells Fargo sponsored events, which include store visits and special presentations by our bankers. In 2016, we also were **awarded the Workplace of Distinction Award** from the Girl Scouts organization for our community involvement and empowering women leaders at Wells Fargo.



Austin Retail, Business Banking, and Commercial Banking teams



Wells Fargo volunteers delivering Meals on Wheels

# Money is available to help you buy a home of your own

You could receive up to \$7,500 to help you buy a home through the **NeighborhoodLIFT**® program. The amount you receive is based on the amount you're able to put toward the purchase of a home in the limits of Travis, Bastrop, or Hays County. These funds can come from your own savings, other down payment assistance programs, or as a gift from family members.<sup>1</sup>

*How does the program work? Here's an illustration of how the program worked for Henry, a sample customer:*



### Program overview\*

- Assistance is available for military and non-military customers.
- You need to be approved for a first mortgage by an approved lender.<sup>2</sup>
- The home you purchase must be your primary residence and located in the limits of Travis, Bastrop, or Hays County.
- If you currently own a home, it must be sold before closing.
- You must complete homebuyer education before your closing.
- You don't have to repay the grant if you live in the home for three years.<sup>3</sup>
- Grants range from \$2,500 to \$7,500, based on the amount you're able to contribute.
- Combined income for all borrowers cannot exceed 80% of area median income (AMI) (see chart on reverse side).

*\*You must meet all program requirements.*

### Military eligibility

- Current active members of the United States Army, Navy, Marine Corps, Coast Guard, Air Force, Army National Guard, Air National Guard, or Reservists
- Veterans of any of the above organizations
- Eligible surviving spouses of any of the above organizations

### Military program guidelines

- Grants range from \$5,000 to \$7,500, based on the amount you're able to contribute.
- Combined income for all borrowers cannot exceed 100% of area median income (AMI) (see chart on reverse side).
  - Basic Allowance for Housing (BAH), meals, and other bonuses aren't included in income evaluation.

 [Go to wellsfargo.com/lift](https://wellsfargo.com/lift) for more details.

1. This list is not all inclusive, and not all sources are acceptable for all mortgage products/programs.

2. The first mortgage can be financed by any **NeighborhoodLIFT** program-approved lender.

3. The pro-rated balance must be repaid if you refinance or the property is foreclosed on. If you are active military and provide official Permanent Change of Station transfer orders prior to the end of the three-year period, the balance will be fully forgiven.

You could **receive up to \$7,500** to help you buy a home. The amount you receive is based on the amount you're able to put toward your down payment.

NeighborhoodLIFT Down Payment Assistance Program		
Your money	NeighborhoodLIFT grant	New total down payment
\$0 - \$1,500	+ \$2,500	= \$2,500 - \$4,000
\$1,501 - \$2,500	+ \$3,500	= \$5,001 - \$6,000
\$2,501 - \$5,000	+ \$6,000	= \$8,501 - \$11,000
Over \$5,000	+ \$7,500	= \$12,501+

Military-only NeighborhoodLIFT Down Payment Assistance Program		
Your money	NeighborhoodLIFT grant	New total down payment
\$0 - \$2,500	+ \$5,000	= \$5,000 - \$7,500
\$2,501 - \$5,000	+ \$6,000	= \$8,501 - \$11,000
Over \$5,000	+ \$7,500	= \$12,501+

2016 Income Limits for Austin <sup>1</sup>								
Income	\$62,250	\$62,250	\$62,250	\$62,250	\$67,250	\$72,250	\$77,200	\$82,200
Military-eligible income	\$77,800	\$77,800	\$77,800	\$77,800	\$84,050	\$90,250	\$96,500	\$102,700
Household size	1	2	3	4	5	6	7	8

The 2016 income limits are effective on loan applications taken on or after March 28, 2016. All individuals living at the property will be considered in household size (including children). However, only the combined income of borrowers listed on the loan will be considered in the income limits.

Neighborhood**LIFT**<sup>®</sup>  
Let's Invest for Tomorrow

 **Go to [wellsfargo.com/lift](http://wellsfargo.com/lift)**  
for more details.

1. Combined income for all borrowers on the loan cannot exceed the program income limits, adjusted for household size.

Down payment assistance grants cannot be used to purchase bank-owned properties managed by Wells Fargo Premier Asset Services.

The first mortgage can be financed by any NeighborhoodLIFT program-approved lender.

The NeighborhoodLIFT program is a collaboration of Wells Fargo Bank, N.A., Wells Fargo Foundation, and NeighborWorks® America, an independent nonprofit organization.

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107841-AUS



## MEMORANDUM

**TO:** Mayor and Council Members

**FROM:** Joseph G. Pantalion, P.E., Director  
Watershed Protection Department

**DATE:** March 14, 2017

**SUBJECT:** Update on Flood Hazard Mitigation Buyout Projects

This memo provides an update on the Watershed Protection Department's (WPD) progress and plans regarding flood hazard mitigation buyout projects. A summary of the active buyout projects is also included for reference in the attached table.

### ACTIVE PROJECTS

**Lower Onion Creek Flood Hazard Mitigation Buyout Project (District 2)** - The Lower Onion Creek Buyout Project, near the intersection of William Cannon and South Pleasant Valley Road, is comprised of 855 residential properties that are at risk of flooding in a 100-year flood event. The project area consists of three subproject areas: the Army Corps project area, the 25-year project area, and the 100-year project area. The Lower Onion Creek area was severely impacted by the 2013 and 2015 Halloween Floods. Many of the properties were determined to be substantially damaged following the 2013 flood (i.e., the buildings were damaged to such a degree that 50 percent or more of the value of the home would be required to repair it to its pre-damaged condition).

- **The Army Corps Project Area** is a partnership project with the U.S. Army Corps of Engineers (USACE) to acquire 483 flood-prone properties, to implement ecosystem restoration activities on a portion of the acquired land, and to construct recreational facilities on the remainder of the land. To date, the City has acquired 482 of the 483 properties, and the final acquisition is expected by April 2017. USACE has issued a contract for the design of the recreational area and some ecosystem restoration activities are already underway. In order to construct the recreational facilities, the land needs to be rezoned from a single-family designation to a public designation. This rezoning process is currently underway. Construction of the recreational area could be completed by 2019.

USACE has estimated that the total project cost for this area is \$73.2 million, of which \$62 million is estimated for the property buyout portion of the project. The project has a cost-sharing agreement between the City and the federal government. The federal share is reimbursement based, and to date, \$27 million of reimbursements have been provided to the

City for the buyout component of the project. A portion of the reimbursements have been used to complete buyouts in the project area and another portion is being held in reserve to fulfill the City's obligation for the recreation and ecosystem restoration components of the project. Based on the current USACE cost estimate, up to \$13.3 million in future reimbursements may be possible, contingent upon final project costs and continued availability of USACE funding. It is expected that upon completion of the project there will be a surplus of reimbursement funding on this project that could be used for other purposes.

- The 25-year Project Area is comprised of 140 voluntary buyouts that are funded through \$35.5 million in certificates of obligation approved by Council in June 2014. To date, the City has acquired 131 of the 140 properties in this project area. Three of the remaining nine properties have a substantial damage determination from the October 2013 flood. Additionally, there are three properties in the project area whose owners have declined to participate in a buyout and with recent changes in the delineation of the 100-year floodplain these properties are no longer considered at risk for interior structural flooding in a 100-year flood event. Accordingly, these latter properties are no longer considered part of the project.

Approximately \$30 million of the \$35.5 million budget has been expended to date, with some expenses related to the acquisition of the 131 acquired properties not yet recorded. While buyouts in this project area are voluntary, the City hopes that the remaining six property owners agree to the buyout soon. With their participation, this project may be completed under budget by up to \$2.2 million.

- The 100-year Project Area is comprised of 232 voluntary buyouts that are funded through \$60 million in certificates of obligation approved by Council as part of the FY15 budget and by \$1.0 million from a Federal Emergency Management Agency (FEMA) grant. To date, the City has acquired 166 of the 232 properties in this project area. Seventeen (17) of the remaining properties have a substantial damage determination from the October 2013 flood.

There are 29 properties in this project area whose owners have either declined to participate in the buyout or are part of a homeowner's association (HOA) that has not provided majority approval to release the properties from the HOA upon sale to the City. With recent changes in the delineation of the 100-year floodplain these properties are no longer considered at risk for interior structural flooding in a 100-year flood event and are therefore no longer considered part of the project.

Approximately \$42.6 million has been expended to date, with many expenses associated with the acquisition of the 166 properties not yet recorded. With participation of the remaining 37 properties, this project area may be completed under budget by up to \$7.4 million.

**Middle Williamson Creek Flood Hazard Mitigation Buyout Project (Districts 2, 3, 5)** - The Middle Williamson Creek Buyouts are the first phase of a larger flood mitigation project for the portion of Williamson Creek between Cherry Creek and South Congress Ave. This first phase includes the voluntary buyout of 66 properties at risk of structural flooding during a 25-year flood event. To date, 42 of the 66 properties have been acquired. Fifteen property owners have indicated that they are not interested in selling at this time. This project has been funded with \$18 million of certificates of obligation that were approved by Council as part of the FY15 budget and with \$3.1 million of drainage revenue appropriations. Approximately \$17 million of the project's budget has been expended to date, with

several more expenses related to the completed acquisitions expected in the coming months. At the current participation rate, this project is expected to be completed within budget. However, if all of the 15 property owners who have previously declined to participate in the project decide to sell, an additional \$5 million in project funding may be needed.

The second phase of the project includes flood mitigation for approximately 200 additional properties between Cherry Creek and South Congress that are within the 100-year floodplain. A feasibility study will be initiated in FY19 to evaluate flood mitigation solutions for this area. Solutions to be evaluated may include upstream detention, channel/bridge modifications, additional buyouts, flow diversions, or a combination of these measures.

**Upper Onion Creek (District 5)** - The Upper Onion project area, off of IH-35 at Onion Creek Parkway, has approximately 150 single family residences at risk of flooding in a 100-year event. This area experienced significant flooding during both the Halloween 2013 and 2015 floods. Following the 2013 flood event, the City initiated a study to evaluate the feasible flood mitigation solutions for this project area. The study, which is expected to be completed in April 2017, is evaluating the feasibility, effectiveness, and cost of upstream detention, a floodwall, channel modifications, and buyouts.

At the request of Council, a limited number of recovery buyouts were initiated in this project area in late 2016. The current funding for these recovery buyouts is \$1.25 million, which is sufficient to complete two, possibly three, voluntary buyouts in this area. The recovery buyouts have been prioritized based on risk of flooding (expected depth of flooding inside the house during a 100-year event) and focused on properties that have had the same owners since before the 2013 flood. Appraisal inspections have been conducted for the first two properties on the recovery buyout priority list. The properties in this project area are also part of a homeowner's association, and a 2/3 majority vote will be needed from the property owners to remove any properties that the City wishes to acquire within the HOA.

## **UPCOMING PROJECTS**

Requests for Council Action (RCAs) are planned for the March 23, 2017, Council meeting agenda requesting Council authorization for the Office of Real Estate Services (ORES) to proceed with the acquisition process for the two project areas described below. With regard to proposed relocation benefits, the City Auditor recently completed an audit of the flood hazard mitigation buyout projects and found that WPD and ORES have been implementing buyout projects in accordance with the policy direction provided by City Council. ORES is planning to initiate changes to the City Code for relocation benefits for all property acquisitions by the City. Until that code change is in place, WPD and ORES will continue to seek approval from Council on a project by project basis using the same relocation policy that has been approved for previous projects. This approach is also consistent with recommendations from the Flood Mitigation Task Force.

**February Drive Flood Hazard Mitigation Buyout Project (District 1)** - This project area in the Walnut Creek watershed consists of five houses at risk of interior flooding during a 25-year flood event. Houses in this area experienced flooding during the Halloween 2013 and Memorial Day 2015 floods. A FEMA grant has been received to cover some of the costs for the voluntary buyout of these five properties. The cost estimate for this project is \$1.9 million, of which up to \$568,000 may be reimbursed by FEMA.

**Charing Cross Flood Hazard Mitigation Buyout Project (District 10)** - This project area in the Bull Creek watershed consists of 5 properties at risk of flooding due to localized flood hazards, i.e., inadequate

storm drain infrastructure. One of the properties was voluntarily acquired in FY16. The cost estimate for the voluntary buyout of the remaining four properties is \$2.4 million, and funding is available in the WPD Capital budget.

Should you have questions or need additional information, please feel free to contact me at 512-974-3438.

Attachments:

Flood Hazard Mitigation Buyout Project Status  
Map- Floodplain Changes

Cc: Elaine Hart, Interim City Manager  
Sue Edwards, Assistant City Manager  
Burt Lumbreras, Assistant City Manager  
Sara Hensley, Interim Assistant City Manager  
Lauraine Rizer, Officer, Office of Real Estate Services

**Flood Hazard Mitigation Buyout Project Status**  
**March 2017**

Project Area	Voluntary/Non-voluntary	Buyout Status		Financial Status			
		# Properties Acquired as of 3/6/2017	# Properties in Project Area	Expenditures to Date	Original Project Cost Estimate	Updated Project Cost Estimate <sup>1</sup>	Potential Budget Surplus or (Deficit)
Lower Onion – Army Corps	Non-voluntary	482	483	\$58.9M	\$73.2M	\$73.2M <sup>2</sup>	\$14.5M+ <sup>4</sup>
Lower Onion – 25-Year	Voluntary	131	140	\$30M	\$35.5M	\$33.3M	\$2.2M
Lower Onion – 100-Year	Voluntary	166	232	\$42.6M	\$61M	\$53.6M	\$7.4M
Middle Williamson	Voluntary	42	66	\$17M	\$21.1M	\$21.1M - \$26.1M <sup>3</sup>	(0 - \$5M)
Upper Onion – Recovery Buyouts	Voluntary	0	2	\$0	\$1M	\$1M	\$0

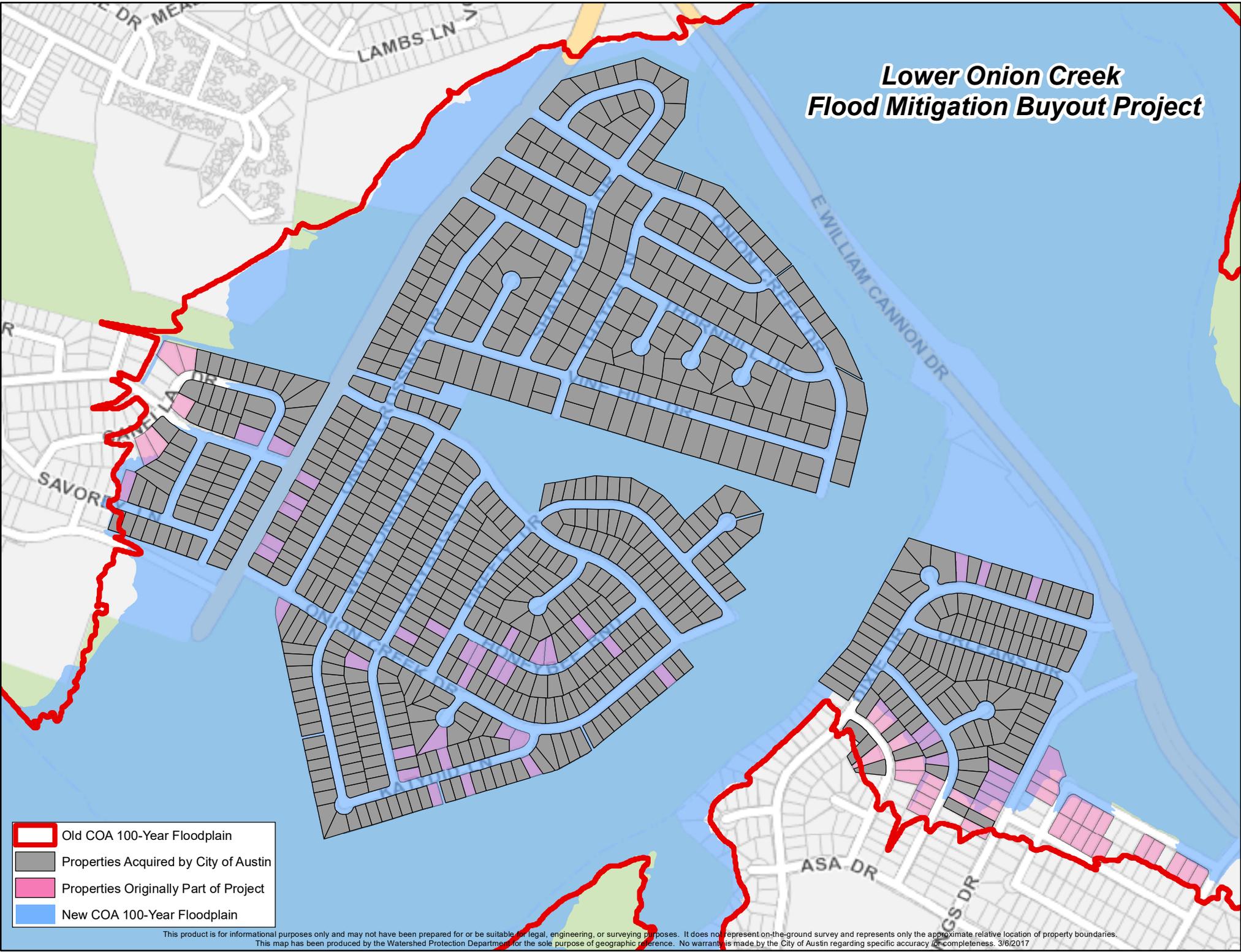
<sup>1</sup> Total project costs are dependent upon participation rates in voluntary buyout project areas

<sup>2</sup> Total project costs are dependent on federal review of City expenditures and actual costs to implement recreation & ecosystem restoration components of project

<sup>3</sup> High end of cost estimate range assumes that 15 property owners who have previously declined to participate will agree to the buyout

<sup>4</sup> Surplus expected based on reimbursements approved to date from USACE

# Lower Onion Creek Flood Mitigation Buyout Project



-  Old COA 100-Year Floodplain
-  Properties Acquired by City of Austin
-  Properties Originally Part of Project
-  New COA 100-Year Floodplain

This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent on-the-ground survey and represents only the approximate relative location of property boundaries. This map has been produced by the Watershed Protection Department for the sole purpose of geographic reference. No warranty is made by the City of Austin regarding specific accuracy or completeness. 3/6/2017



**Council Question and Answer**

<b>Related To</b>	Item #83	<b>Meeting Date</b>	March 23, 2017
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Additional Answer Information

**QUESTION:** See below

**ANSWER:**

**Land Use**

1) *How much retail square footage and what type of retail use will be allowed on each site based on what passed on first reading? Does the retail square footage on the Land Use Plan match the assumptions in the TIA? When will the total retail square footage be clarified on the PUD land use plan?*

Retail is not permitted on Parcels 1-5 (Buildings 1-6) or everything east of Woodhollow. The other parcels allow it but the current PUD ordinance doesn't restrict the square footage. What is restricted are the total PUD vehicle trips. The TIA proposed 46,700 sq. ft of restaurant/retail which generates 5,938 daily trips. If more retail is proposed at the time of site plan, there would have to be a corresponding reduction in other use that would keep the total daily PUD vehicle trips within the projected 19,648.

2) *How does the overall FAR of the Austin Oaks PUD compare to the FAR of the Grove?*

On and "overall" basis" Austin Oaks' request is .87 to 1 (1191700/11367784). The Grove is difficult to determine. Staff had recommended a max of 2,400,000 which would have been .72 to 1 (2400000/3300105). The final number changed as different uses were specified. The challenge of determining an accurate number for the Grove PUD is difficult to determine as no unit mix was specified; therefore it's difficult to determine the final square footage allowed. Below is the language in The Grove ordinance:

- A. The total square footage of all office development within the Grove PUD shall not exceed 185,000 square feet.
- B. The total square footage of all retail/commercial development within the Grove PUD shall not exceed 140,000 square feet.
- C. The maximum number of market rate residential units within the Grove PUD shall not exceed 1,515 units. The maximum number of market rate multifamily rental apartment units shall not exceed 950 units. The maximum combined number of market rate residential units, including multifamily rental apartment units, and congregate living units with a kitchen shall not exceed 1,548 units.
- D. The total square footage of a single retail/commercial tenant within the Grove PUD shall not exceed 35,000 square feet.
- E. The total square footage of all cocktail lounges within the Grove PUD shall not exceed 10,000 square feet.

3) *Could parking be built underground on this site?*

Yes, unless it's expressly prohibited by the PUD Ordinance parking could be constructed underground

4) *How does the code define a "story", or "floor"?*

We rely on the International Building Code which defines a minimum height of 7.5 ft for conditioned space.

5) *How much additional height does the code allow for mechanical equipment on the roofs of the buildings or garages?*

Below is the code section related to mechanical equipment on roofs.

25-2-531 - HEIGHT LIMIT EXCEPTIONS.

(A) This section provides exceptions to zoning district height limits.

(B) Subsection (C) applies to:

(1) parapet walls, chimneys, vents, and mechanical or safety features including fire towers, stairways, elevator penthouses, heating or cooling equipment, solar installations, and protective covers; and

(2) ornamental towers, cupolas, domes, and spires that are not designed for occupancy.

(C) A structure described in Subsection (B) may exceed a zoning district height limit by the greater of:

(1) 15 percent;

(2) the amount necessary to comply with a federal or state regulation;

(3) for a stack or vent, the amount necessary to comply with generally accepted engineering standards; or

(4) for a spire, 30 percent.

(D) The height of a home radio or television receiving antenna or a flagpole may not exceed the lesser of:

(1) 50 feet; or

(2) if attached to a building, 25 feet above the building; or

(3) if located on the ground, 125 percent of the zoning district height limit.

(E) A radio tower operated by a licensed amateur radio operator may not exceed a height of 60 feet plus 15 feet for antennae. The Land Use Commission may approve a greater height as a conditional use.

(F) An antenna located on a building in a non-residential zoning district may exceed the zoning district height limit by not more than 20 feet.

(G) A fly tower that is constructed within a performing arts theater that seats 300 or more people may be up to 80 feet in height, regardless of the zoning district height limit, unless a lower height limit is required by City Code [Chapter 25-2](#), Article 10 ( *Compatibility Standards* ). The fly tower must be:

(1) located on land owned by the City of Austin; and

(2) designed and used for moving set pieces, lights, microphones, and other equipment on and off stage.

Source: Section 13-2-608; Ord. 990225-70; Ord. 010607-8; Ord. 031211-11; Ord. 040826-67; Ord. 20080724-082; Ord. 20100923-132.

6) *How will the City track and monitor the impervious cover across the parcels as the project is built out?*

Staff will request that the applicant create a table that is indexed to the Land Use Plan that will be updated with each application as the PUD is built out over time.

7) *Under the current entitlements what baseline has staff determined for the project? How does the existing Public Restrictive Covenant affect that baseline? What are city staff estimates of how many square feet of development could be built on this property with the existing entitlements, site constraints and existing restrictive covenant? What are city staff estimates of how much impervious cover would be allowed on this site based on the existing entitlements, site constraints, and public restrictive covenant?*

The baseline entitlements presented are based on conceptual planning documents prepared by the applicant. City staff completed a cursory review of the baseline development proposal prepared by the applicant. Staff's

review of the current code baseline information is not representative of the comprehensive detailed review that would be prepared as part of a full site development permit submittal. However, based on the preliminary review staff determined that the baseline development levels proposed by the applicant appear to be feasible representations of development plans that would in general comply with the existing development regulations applicable to the property. City of Austin staff have not prepared an analysis of the current entitlements or development potential of the project, preparation of this type of analysis is not a service offered to applicants by the City.

### **Transportation**

*1) Why does the TIA not include intersections east of MoPac or the intersection at Steck and MoPac? What determines the scope of a TIA? For a PUD, who is involved in making the determination of the scope of a TIA? What will be the percentage increase of failed intersections by 2024 based on the TIA?*

A team of over 10 professional engineers and planners from ATD, the Development Services Department (DSD), and the Texas Department of Transportation (TxDOT) coordinate to determine TIA scopes. The following are required in a TIA submitted by the applicant's transportation engineer:

- Description of proposed development and access locations
- Intersections to be studied based on area map that specifies major roadways and intersections in the vicinity of the development
- Background traffic from projects with approved zoning, preliminary or final subdivision within or adjacent to the study area
- Average annual growth rate based on historic traffic volumes
- Development-generated trips based upon the proposed land uses and densities
- Internal capture, pass-by, and transit trip reduction rates
- Trip distribution of development-generated traffic
- Traffic assignment of development-generated traffic according to distribution to the surrounding network
- Capacity and multi-modal analyses to determine operational impacts from the development on the surrounding transportation network
- Transportation improvements to mitigate operational impacts from the development on the surrounding transportation network

Using engineering judgment, the study area is determined based on the type and size of the development, proposed land uses, build-out year, existing and proposed land uses in the vicinity of the proposed development (residential development, commercial, institutional). Operational impacts are evaluated within this study area.

Regarding the Austin Oaks PUD, the study area encompassed major intersections bounded by the major streets of Steve Avenue, Mesa Drive, Far West Boulevard, and MoPac; the intersection of Steck Avenue and MoPac was included in the TIA. Intersections east of MoPac were not included because they extend beyond this regional facility that provides the primary access to the development.

Based on comparison of 2018 Build Mitigation to the 2024 Build Mitigation scenarios in the TIA, four of the 16 studied intersections (25%) move from non-failing to failing overall level of service during the morning and afternoon peak hours.

*2) For the Greystone at SBFR MoPac, we do not see a "Merging Analysis" on SBFR in the TIA nor TIA Appendix based on the Highway Capacity Manual. Was one done? Should one be done? If not, why?*

The MoPac frontage roads are maintained and operated by TxDOT. They did not require this level of detailed analysis in the TIA scope.

3) For the Greystone at SBFR MoPac, we do not see a "Weaving Maneuver Analysis" on SBFR in the TIA nor TIA Appendix based on the Highway Capacity Manual. Was one done? Should one be done? If not, why?

The MoPac frontage roads are maintained and operated by TxDOT. They did not require this level of detailed analysis in the TIA scope.

### **Backup**

*Constituents have raised concerns that items have been removed from the previous backup. How does staff determine what to include from constituents in the backup?*

Typically, when there are changes to the request resulting in re-notification, we provide backup responses related to the "new" request as there may have been significant changes and/or some of the previous submittals may no longer be relevant. In response to the concerns that older comments have not been included we have included them in the backup and noted when received.

### **Housing**

1) *What will the rental rates be for the market units at this property?*

We anticipate \$2.15 per square foot.

2) *What are the rental rates for a 1 bedroom unit on this property that are income restricted at 60% MFI?*

\$763

3) *What will the bedroom count for the affordable units be, what will the square footage of the various units be?*

This has not been determined. The developer assumes 80% of 1-bedroom units and 20% of 2-bedroom units. This will be a market driven decision at the time of development. The developer has agreed to a proportional mix of units for the affordable units.

4) *How is the rental rate for income-restricted affordable housing units calculated for this site?*

Rents are based on 1 person household income for a 1-bedroom unit and a 2 person household income for a two-bedroom unit. The calculation for a 1-bedroom:  $\$32,700 \times .28 = \$9,156 / 12 = \$763$  per month.

5) *Can the rental rates for income-restricted units rise over time, if so, how are those rates determined?*

Yes, if HUD published income limits rise, rents will rise accordingly.

6) *What mechanisms do we use to monitor and guarantee the affordability requirements?*

A restrictive covenant will be placed on the property securing any affordability requirements. The Austin Oaks PUD will fall under the category of NHCD developer incentive monitoring and are captured in the department's affordable housing inventory database. An annual monitoring report is generated from this inventory database that drives NHCD monitoring efforts each year. Each developer incentive project is monitored within the first 12 months from receiving its Certificate of Occupancy and at a minimum of every three years thereafter, or more frequently as determined in an annual risk assessment.

7) *Will a copy of the restrictive covenant or other enforcement documents that will be used to guarantee the affordability requirements be available by third reading? Please share those documents when they are written.*

Yes, the restrictive covenant will be prepared by third reading and will be provided as soon as it becomes available.

8) *Under the NHCD standard formula for affordable housing programs, how much would the city pay to buy down a market rate unit one-bedroom 775 square foot unit in a Class A development in this zip code to be affordable to a household at 60% MFI?*

Based on our recent analysis (without escalating rents overtime), NHCD staff estimates a minimum of \$214,474 to buy down a 1-bedroom unit and \$354,607 to buy down a 2-bedroom unit. If we add a 3% inflation rate to

the rents over time, this number increases to \$357,975 to buy down a 1-bedroom unit and \$594,704 to buy down a 2-bedroom unit.

9) *When the city buys down market rate units, do we buy down based on a 100% occupancy rate of the affordable units?*

It is not possible to assume 100% occupancy in any development as the average occupancy at the end of 2016 was 92.2%.

10) *Do we have any mechanism to guarantee that the income-restricted units will be occupied and rented? What occupancy rate for income restricted units do we require in this zoning case?*

A restrictive covenant will be placed on the property securing the affordability requirements. In addition, the project will be captured in the department's affordable housing inventory database. An annual monitoring report is generated from this inventory database that drives NHCD monitoring efforts each year. Each developer incentive project is monitored within the first 12 months from receiving its Certificate of Occupancy and at a minimum of every three years thereafter, or more frequently as determined in an annual risk assessment. If there are no income qualified individuals in the units then the development is out of compliance resulting in the affordability period being extended to ensure the required number of years of compliance is obtained. Staff does not set an occupancy rate.

11) *What happens if the city buys down a unit and the unit remains unleased for a period of time?*

If, at the time of monitoring, there is evidence that any of the affordable units were unleased for a period of time the affordability period could be extended to ensure the required number of years of compliance is obtained.

12) *How many affordable units did NHCD staff expect would be created from this development based the version of the PUD that passed on first reading in December of 2016?*

The developer has indicated they are planning for 200 total units, 20 of which will be affordable.

13) *If this zoning case passes, can the parcels designated for residential development be sold to another developer who finances the development of the property by applying for further public subsidy in the form of tax-credits, fee waivers, or General Obligation bond money?*

Yes; however, NHCD's funds will require lower MFIs and additional units.

14) *If the residential parcels are sold, how much in public subsidy could a developer apply for to develop those parcels?*

The amount of subsidy would depend on the cost of development and the established need. The application for funding would also have to meet threshold for funding, and would require approval by the Austin Housing Finance Corporation Board of Directors.

15) *Would NHCD staff please review the spreadsheet posted on the message board <http://assets.austintexas.gov/austincouncilforum/44-20170228162141.pdf> and confirm that the cost per affordable housing unit is the same cost as what NHCD would pay based on their standard formula when calculating the buy-down costs in other affordable housing programs for a Class A residential development in this zip code?*

Based on our recent analysis (without escalating rents overtime), NHCD estimates a minimum of \$214,474 to buy down a 1-bedroom unit and \$354,607 to buy down a 2-bedroom unit. If staff adds a 3% inflation rate to the rents over time, this number increases to \$357,975 to buy down a 1-bedroom unit and \$594,704 to buy down a 2-bedroom unit.

## **Real Estate**

1) *Would Real Estate staff please review the spreadsheet posted on the message board <http://assets.austintexas.gov/austincouncilforum/44-20170228162141.pdf> and confirm the income that an additional floor containing 25,000 square feet of office space would generate at the Austin Oaks site would generate? What*

*would profits on an additional 25,000 square feet of office entitlement be after subtracting construction costs?*

It is estimated that the net income generated per 25,000 sf is \$473,053 per year.

The estimated profits on 25,000 sf of office space is \$1,946,750. This is based on:

- an estimated cost of construction of \$202.46 per square foot of building and
- a market value of \$280.33 per square foot based on an estimate from an income approach that conforms with standard appraisal practices in the market.

*2) Would Real Estate staff please calculate the property value diminution for a 775 square foot affordable housing unit that is income restricted to an individual at 60% MFI at the Austin Oaks PUD?*

The estimated diminution in value of \$144,654 is based on a direct capitalized value of an assumed annualized rent loss of \$7,946. This is for a one bedroom 60% MFI.



### Council Question and Answer

**Related To**

Item #76

**Meeting Date**

March 2, 2017

#### Additional Answer Information

**QUESTION:** 1) Staff recommended transportation improvements in their TIA memorandum that do not equal the total probable cost of all improvements listed in the TIA. If staff were to require additional improvements listed in the TIA to be funded by the applicant, which would they be? 2) What is the rough proportionality demand estimate for existing conditions, the Code-Compliant Plan, and the PUD Plan?

**ANSWER:**

Austin Transportation Department (ATD) maintains the transportation improvements included in the TIA memorandum are critical to mitigate the impact of vehicular trips added from the development. Should Mayor and Council decide to require additional transportation improvements, this response may be used to assist in this policy decision. It should be noted that ATD's standard practice is to require transportation improvements based on calculated pro-rata share of improvement costs. Pro-rata share is the fair contributed cost from the developer, calculated as the ratio of project trips to non-project trips on the transportation network.

ATD analyzed transportation improvements not funded by the applicant and selected nine additional improvements. These nine improvements total \$685,000, raising the cumulative probable cost of improvements to \$1,490,000 when including the \$805,000 cost of improvements that the applicant has already agreed to fund. This cumulative probable cost equates to 74% of the total \$2,015,000 cost of improvements identified in the TIA memorandum.

Background

ATD required the following four transportation improvements in its TIA memorandum based on analysis included in the TIA submitted by the applicant. Full costs of each improvement are included.

- Install a fully actuated traffic signal at Spicewood Springs Road and Hart Lane. (\$420,000)
- Construct a free eastbound right-turn movement from Spicewood Springs Road to Mo-Pac (Loop 1) southbound frontage road. (\$35,000)
- Construct a southbound right-turn deceleration lane on Mo-Pac (Loop 1) southbound frontage road (upstream of Executive Center Drive). (\$160,000)
- Construct a southbound acceleration lane on Mo-Pac (Loop 1) southbound frontage road (downstream of Executive Center Drive). (\$130,000)

These four improvements total \$745,000, which exceeds the pro-rata cost share of \$628,000. ATD determined that these improvements were necessary despite the total exceeding the pro-rate cost share; the applicant agreed to fully fund these improvements.

During the Zoning and Platting Commission meeting on November 1, 2016, the applicant agreed to fully fund the following two improvements that were included in the TIA memorandum as additional transportation improvements, raising the total cost of improvements to \$805,000.

- Extend westbound left-turn bay at Spicewood Springs Road and Wood Hollow Drive. (\$50,000)
- Provide a right-turn signal overlap operation at Spicewood Springs Road and Wood Hollow Drive. (\$10,000)

Analysis

The TIA memorandum lists 24 transportation improvements that help mitigate the impact of the development for a total of \$2,015,000. ATD analyzed the remaining 18 improvements that do not include the six that the applicant agreed to fund. ATD selected the following nine improvements, which are summarized in the following table, be implemented as possible additional mitigation should the Mayor and Council decide on this policy decision. Improvements that have a high percentage of site traffic and would be more difficult for the City of Austin to implement using its own resources, such as street widening and signal installation, were favored as improvements. Some improvements identified in the TIA memorandum would serve to reduce vehicular delay but could result in safety concerns when considering the holistic transportation network; therefore, they were not included in the following improvements.

Location	Improvements	Probable Cost (\$)	Site Traffic (%)
Spicewood Springs Road & Hart Lane (2018)	Widen Hart Lane	\$150,000	11.0%
Spicewood Springs Road & Loop 1 SBFR (2018)	Create channelized turn from Mo-Pac to Spicewood Springs	\$175,000	7.3%
Far West Blvd & Wood Hollow Drive (2018)	Provide a right-turn overlap signal operation	\$20,000	5.8%
Executive Center Drive & Wood Hollow Drive (2022)	Widen Executive Center Drive to a four-lane cross-section	\$20,000	52.6%
Executive Center Drive & Hart Lane (2024)	Restripe westbound approach of Executive Center Drive and Hart Lane	\$20,000	79.1%
Executive Center Drive & Hart Lane (2024)	Restripe Hart Lane	\$20,000	79.1%
Executive Center Drive & Wood Hollow Drive (2024)	Conduct traffic signal warrant analysis	\$10,000	52.6%
Executive Center Drive & Wood Hollow Drive (2024)	Install a fully actuated traffic signal	\$250,000	52.6%
Greystone Drive & Wood Hollow Drive (2024)	Restripe northbound approach	\$20,000	40.2%
<b>Recommended Improvements Total</b>		<b>\$685,000</b>	--

These nine improvements total \$685,000, raising the cumulative probable cost to \$1,490,000 when including the \$805,000 cost of improvements that the applicant has already agreed to fund. This cumulative probable cost equates to 74% of the

total \$2,015,000 cost of improvements identified in the TIA memorandum.

2) The Development Service Department (DSD) estimated impacts for these three scenarios based on estimated trips per the Institute of Transportation Engineers (ITE) *Trip Generation Manual* and the City's rough proportionality determination worksheet tool.

As shown in the following table, the demand estimates total \$1.87M (Existing), \$5.02M (Code-Compliant Plan), and \$5.56M (PUD Plan).

Land Use (ITE Code)	Existing (daily trips)	Code-Compliant Plan (daily trips)	PUD Plan (daily trips)
Apartment (220)	-	-	250 units (1663 vpd)
Hotel (310)	-	-	100 rooms (892 vpd)
General Office (710)	445.322 ksf (4085 vpd)	645.596 ksf (7121 vpd)	676.8 ksf (5634 vpd)
Medical Office (720)	-	215.199 ksf (8585 vpd)	169.2 ksf (6704 vpd)
Specialty Retail (826)	-	-	20 ksf (893 vpd)
Sit down (high-turnover) restaurant (932)	-	30 ksf (3815 vpd)	30 ksf (3815 vpd)
<b>Total Daily Trips</b>	<b>4,085 vehicles</b>	<b>19,521 vehicles</b>	<b>19,601 vehicles</b>
<b>RP Worksheet Demand Estimate</b>	<b>\$1.87M</b>	<b>\$5.02M</b>	<b>\$5.56M</b>



**Council Question and Answer**

<b>Related To</b>	Item #83	<b>Meeting Date</b>	March 23, 2017
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Additional Answer Information

**QUESTION:** 1) What are examples of the City of Austin successfully being able to collect complete costs from developments to construct transportation improvements as identified in a TIA? 2) What is the complete cost for improvements to the intersection of Hart Lane and Spicewood Springs Road as identified in the Austin Oaks PUD TIA? 3) What is the percentage of traffic generated by the Austin Oaks PUD estimated to pass through the intersections required by staff for transportation improvements? 4) What is the additional value of transportation mitigation that could be collected if additional housing units were added to the Austin Oaks PUD proposal? COUNCIL MEMBER POOL

**ANSWER:**

*1) What are examples of the City of Austin successfully being able to collect complete costs from developments to construct transportation improvements as identified in a TIA?*

The following are examples of the City of Austin collecting the complete costs to implement various types of transportation improvements:

- S 1<sup>st</sup> Street Grocery (SP-2016-0164C): upgrade adjacent traffic signal
- 4020 Airport Boulevard (SP-2015-0522D): reconstruct adjacent intersections to facilitate access to the development
- Nueces Street Development (SP-2015-0346C-208): install traffic signal at W Cesar Chavez Street and Nueces Street
- 405 Colorado Street (SPC-2016-0260C): install sidewalk
- Creekside on Parmer Apartments (SP-2015-0438C): install traffic signal at East Parmer Lane and development driveway
- 6725 Circle S Road (SP-2015-0200C): reconstruct adjacent roadway to serve the development
- Gonzales Street Development (SP-2016-0286C): install streetlights, pavement markings, and ADA ramps
- Music Lane Development (SP-2016-0321C): install traffic signal at S Congress Avenue and development driveway
- North Burnet Gateway (SP-2016-0031C): construct public roadway serving development

*2) What is the complete cost for improvements to the intersection of Hart Lane and Spicewood Springs Road as identified in the Austin Oaks PUD TIA?*

The applicant's engineer proposed installing a traffic signal, an advanced warning flasher, and an additional left-turn lane for an estimated construction cost of \$420,000. ATD completed its own estimate and concurs with applicant's engineering estimate for these construction costs based on present-day values. However, to account for engineering design, survey, and adjustment to three-year future construction costs that were not included in the TIA, ATD estimates the complete cost to implement these improvements is \$560,000.

*3) What is the percentage of traffic generated by the Austin Oaks PUD estimated to pass through the intersections required by staff for transportation improvements?*

ATD required the following four transportation improvements in its TIA memorandum, dated October 6, 2016, based on analysis included in the TIA submitted by the applicant. Percentages of development traffic are included.

- Install a fully actuated traffic signal at Spicewood Springs Road and Hart Lane: 11%
- Construct a free eastbound right-turn movement from Spicewood Springs Road to MoPac southbound frontage road: 7.3%
- Construct a southbound right-turn deceleration lane on MoPac southbound frontage road (upstream of Executive Center Drive): 77.5%
- Construct a southbound acceleration lane on MoPac southbound frontage road (downstream of Executive Center Drive): 85.6%

During the Zoning and Platting Commission meeting on November 1, 2016, the applicant agreed to fully fund the following two improvements that were included in the TIA memorandum as additional transportation improvements. Percentages of development traffic are included.

- Extend westbound left-turn bay at Spicewood Springs Road and Wood Hollow Drive: 42.5%
- Provide a right-turn signal overlap operation at Spicewood Springs Road and Wood Hollow Drive: 29.3%

*4) What is the additional value of transportation mitigation that could be collected if additional housing units were added to the Austin Oaks PUD proposal?*

Assuming the maximum number of trips (trip cap) remains as currently proposed, the value of transportation mitigation would not change. The total cost of the four transportation improvements required in staff's TIA memorandum and the two agreed upon by the applicant during the Zoning and Platting Commission meeting is \$805,000. This total increases to \$945,000 when the costs for engineering design, survey, and adjustment to three-year future construction costs for the signal at Hart Lane and Spicewood Springs Road are included.

Assuming the trip cap increases from what is currently proposed, a specific number of housing units would be needed to accurately evaluate the additional value of transportation mitigation.



**Council Question and Answer**

<b>Related To</b>	Item #41	<b>Meeting Date</b>	April 13, 2017
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Additional Answer Information

**QUESTION:** 1) Merck has informally described significant plans to build the local pipeline of talent and to focus recruiting locally. On page 5 of the Economic Development Agreement, in section 1.03 titled Recruitment, sections a and b both state "The Company shall provide documentation of its efforts to the City upon request." Those statements seem to allow the City to request documentation of pipeline and local recruiting efforts. What mechanisms do we as a Council have at this stage or after the agreement is in effect to ensure that such documentation is provided on an annual basis as part of the reporting process? Are there further mechanisms we have to incorporate those findings into our performance measurement decisions for contract payments? 2) Please explain how Resolution 20141211-221 (referenced on p.27 of "City of Austin Chapter 380 Performance-Based Contracts Policy") would apply in this case were Merck to protest its tax evaluation at a later date. 3) The agreement includes requirements for paying no less than living wages for contract workers (page 4, Section 1.02 c 1). How in practice does the City monitor that portion of the agreement on an annual basis? It is more straightforward to monitor wages of full-time employees. 4) If the agreement is approved by Council and Merck decides to locate in Austin, how might Austinites interested in employment, contracting opportunities or pipeline partnerships connect with the company? COUNCIL MEMEBR ALTER'S OFFICE

**ANSWER:**

*1) Merck has informally described significant plans to build the local pipeline of talent and to focus recruiting locally. On page 5 of the Economic Development Agreement, in section 1.03 titled Recruitment, sections a and b both state "The Company shall provide documentation of its efforts to the City upon request." Those statements seem to allow the City to request documentation of pipeline and local recruiting efforts. What mechanisms do we as a Council have at this stage or after the agreement is in effect to ensure that such documentation is provided on an annual basis as part of the reporting process? Are there further mechanisms we have to incorporate those findings into our performance measurement decisions for contract payments?*

City staff is working with legal counsel and company representatives to include language in the agreement to provide annual reporting on interactions in the community for efforts associated with employment, workforce development, support of local businesses, as well as research and development. Provided the company agrees to this language, staff intends to post this report on the Economic Development website with all documentation related to annual compliance.

*2. Please explain how Resolution 20141211-221 (referenced on pg.27 of "City of Austin Chapter 380 Performance-Based Contracts Policy") would apply in this case were Merck to protest its tax evaluation at the later date.*

As stated in section 1.09 of the Agreement, if the Company successfully appeals its property valuation resulting in a lower value, then the City will evaluate the project to determine whether the agreement is still revenue-positive for the City. If it is not, then the City Manager will present Council with a recommendation for

adjusting the amount of the incentive commensurate with the reduction in property tax valuation. In 2014 staff studied property value appeal behavior among companies holding Chapter 380 agreements and found that companies with jobs-based incentive agreements did not protest their property valuations (pp 7-8 of [Property Tax Appeals Report](http://www.austintexas.gov/sites/default/files/files/EGRSO/Property_Tax_Appeal_Report.pdf)). The report can be found on the Economic Development Department's website at [http://www.austintexas.gov/sites/default/files/files/EGRSO/Property\\_Tax\\_Appeal\\_Report.pdf](http://www.austintexas.gov/sites/default/files/files/EGRSO/Property_Tax_Appeal_Report.pdf)

*3) The agreement includes requirements for paying no less than living wages for contract workers (page 4, Section 1.02c.1). How in practice does the City monitor that portion of the agreement on an annual basis? It is more straightforward to monitor wages of full-time employees.*

The Company will provide City staff access to review the contractor's payroll records or the Company will demonstrate, by providing their contracts for inspection by staff, that the employees placed at the IT Hub were paid no less than the amount of the City's current living wage. This process will be outlined before the time of audit and will also be monitored by the City's independent, third-party reviewer.

*4) If the agreement is approved by Council and Merck decides to locate in Austin, how might Austinites interested in employment, contracting opportunities or pipeline partnerships connect with the company?*

Minority-owned, women-owned and small businesses desiring to participate in contracting opportunities should be registered through the City's Small and Minority Business Resources Department (SMBR), as the Company is required, in section 1.04 of the Agreement, to work with SMBR to provide opportunities to SMBR-certified minority-owned, women-owned and small businesses. As stated in section 1.03 of the Agreement, the Company is required to work with local non-profit organizations to promote employment opportunities and to recruit a diverse candidate pool for jobs at the IT Hub. These include, but are not limited to, the local Asian, Black, Hispanic and Gay/Lesbian Chambers of Commerce, as well as Minorities for Equality in Employment, Education, Liberty and Justice (MEEELJ), the Texas Department of Assistive and Rehabilitative Services (DARS) and the Travis County Criminal Justice Planning Department and/or any other appropriate organizations. Staff has already introduced the Company to Workforce Solutions, Capital Idea, Skillpoint Alliance, Goodwill, Austin InterFaith, and Texas Veterans Commission. The company has also met with Austin Community College, Huston Tillotson, St. Edward's University and the University of Texas. All other opportunities would be addressed by the Company's local team, once that team is established.